

Village of Doyline, Louisiana
Financial Statements with Auditors' Report
As of and for the Year Ended June 30, 2021

Village of Doyline, Louisiana
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Independent Auditors' Report

To the Honorable Steven Bridwell, Mayor
and the Village Council
Village of Doyline, Louisiana
Doyline, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the Village of Doyline, Louisiana, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the Village of Doyline, Louisiana, as of June 30, 2021, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on pages 22 – 23 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquires, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the financial statements is not affected by this missing information.

Other Information

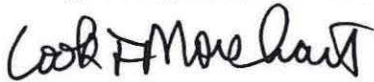
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Doyline's basic financial statements. The other supplementary information listed in the table of contents and shown on pages 24 – 25 is presented for purposes of additional analysis and is not a required part of the basic financial statements. The other supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Our audit was conducted for the purpose of forming opinions on the financial statements as a whole. As disclosed in Note 1 to the financial statements, the Village of Doyline prepares its financial statements in accordance with accounting principles generally accepted in the United States of America. The other supplementary information schedule, Justice System Funding Schedule, shown on page 26, is presented for the purposes of additional analysis and is not a required part of the basic financial statements. This schedule is presented to satisfy the requirements of Act 87 of the 2020 Regular Legislative Session (R.S. 24:515.2) and must be presented on the cash basis of accounting which differs significantly from those principles used to present financial statements in accordance with accounting principles generally accepted in the United States of America. The information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other

records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion the Justice System Funding Schedule, shown on page 26, is fairly stated in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 30, 2021, on our consideration of the Village of Doyline, Louisiana's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village of Doyline's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village of Doyline's internal control over financial reporting and compliance.



Cook & Morehart
Certified Public Accountants
December 30, 2021

Village of Doyline
Doyline, Louisiana
Statement of Net Position
June 30, 2021

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Assets			
Cash	\$ 133,301	\$ 123	\$ 133,424
Receivables	25,268	4,723	29,991
Prepaid items	9,477		9,477
Capital assets not being depreciated	28,015		28,015
Depreciable capital assets, net	<u>694,520</u>	<u>543,876</u>	<u>1,238,396</u>
Total Assets	<u>890,581</u>	<u>548,722</u>	<u>1,439,303</u>
Liabilities			
Accounts payable	<u>15,536</u>	<u>4,375</u>	<u>19,911</u>
Total liabilities	<u>15,536</u>	<u>4,375</u>	<u>19,911</u>
Net Position			
Net investment in capital assets	717,512	543,876	1,261,388
Restricted for public works	120,646		120,646
Unrestricted	<u>36,887</u>	<u>471</u>	<u>37,358</u>
Total net position	<u>\$ 875,045</u>	<u>\$ 544,347</u>	<u>\$ 1,419,392</u>

See accompanying notes to the basic financial statements.

Village of Doyline
Doyline, Louisiana
Statement of Activities
For the Year Ended June 30, 2021

	Program Revenues				Net (Expenses) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business- Type Activities	Total
Functions/Programs:							
Governmental activities:							
General government	\$ 149,183	\$	\$ 3,875	\$	\$ (145,308)	\$	\$ (145,308)
Streets	10,127			686,762	676,635		676,635
Public safety	34,888	20,859	6,091		(7,938)		(7,938)
Total governmental activities	<u>194,198</u>	<u>20,859</u>	<u>9,966</u>	<u>686,762</u>	<u>523,389</u>		<u>523,389</u>
Business-type activities							
Sewer	106,947	54,535				(52,412)	(52,412)
Total business-type activities	<u>106,947</u>	<u>54,535</u>				<u>(52,412)</u>	<u>(52,412)</u>
Total government	<u>\$ 301,145</u>	<u>\$ 75,394</u>	<u>\$ 9,966</u>	<u>\$ 686,762</u>	<u>523,389</u>	<u>(52,412)</u>	<u>470,977</u>
General revenues:							
Ad Valorem taxes					14,486		14,486
Sales tax					100,380		100,380
Franchise taxes					33,816		33,816
Licenses and permits					31,515		31,515
Investment earnings					113	3	116
Other miscellaneous					5,117		5,117
Transfers					(4,000)	4,000	
Total general revenues and transfers					<u>181,427</u>	<u>4,003</u>	<u>185,430</u>
Changes in net position					704,816	(48,409)	656,407
Net position, beginning					170,229	592,756	762,985
Net position, ending					<u>\$ 875,045</u>	<u>\$ 544,347</u>	<u>\$ 1,419,392</u>

See accompanying notes to the basic financial statements.

Village of Doyline
Doyline, Louisiana
Balance Sheet
Governmental Fund
June 30, 2021

Assets	General	Capital Projects - Streets	Total Governmental Funds
Cash	\$ 133,301	\$	\$ 133,301
Receivables	20,244	5,024	25,268
Total Assets	\$ 153,545	\$ 5,024	\$ 158,569
Liabilities and Fund Balance			
Liabilities:			
Accounts payable	\$ 10,512	\$ 5,024	\$ 15,536
Total Liabilities	10,512	5,024	15,536
Fund balances:			
Restricted for public works	120,646		120,646
Unassigned	22,387		22,387
Total Fund Balances	143,033		143,033
Total Liabilities and Fund Balance	\$ 153,545	\$ 5,024	\$ 158,569

See accompanying notes to the basic financial statements.

Village of Doyline
Doyline, Louisiana
Reconciliation of the Governmental Fund Balance Sheet
to the Statement of Net Position
June 30, 2021

Fund Balance - Governmental Fund	\$ 143,033
 Amounts reported for government activities in the Statement of Net Position are different because:	
 The nonallocation method of accounting for prepayments is used in the fund statements, since the prepayment does not provide expendable financial resources.	
	9,477
 Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	
	<u>722,535</u>
 Net Position of Governmental Activities	 <u><u>\$ 875,045</u></u>

See accompanying notes to the basic financial statements.

Village of Doyline
Doyline, Louisiana
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Fund
For the Year Ended June 30, 2021

Revenues:	<u>General</u>	<u>Capital Project - Streets</u>	<u>Total Governmental Funds</u>
Taxes			
Sales tax	\$ 100,380	\$	\$ 100,380
Franchise tax	33,816		33,816
Ad Valorem	14,486		14,486
Intergovernmental	9,966	686,762	696,728
Licenses and permits	31,515		31,515
Fines and forfeitures	20,859		20,859
Investment earnings	113		113
Miscellaneous	5,117		5,117
Total revenues	<u>216,252</u>	<u>686,762</u>	<u>903,014</u>
 Expenditures:			
Current			
General government	149,800		149,800
Public safety	27,236		27,236
Capital outlay	7,396	686,762	694,158
Total expenditures	<u>184,432</u>	<u>686,762</u>	<u>871,194</u>
 Excess of revenues over (under) expenditures	31,820		31,820
 Other financing sources (uses):			
Transfer to sewer fund	<u>(4,000)</u>		<u>(4,000)</u>
 Net change in fund balance	27,820		27,820
 Fund balance, beginning of year	<u>115,213</u>		<u>115,213</u>
 Fund balance, end of year	<u>\$ 143,033</u>	<u>\$</u>	<u>\$ 143,033</u>

See accompanying notes to the basic financial statements.

Village of Doyline
Doyline, Louisiana
Reconciliation of the Statement of Revenues, Expenditures, and Changes
in the Fund Balance of the Governmental Fund to the Statement of Activities
For the Year Ended June 30, 2021

Net change in fund balance - governmental fund	\$	27,820
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Amounts reported for governmental activities in the Statement of Activities are different because:

The nonallocation method of accounting for prepayments is used in the fund statements, since the prepayment does not provide expendable financial resources.

617

Government funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays \$(694,158) exceeds depreciation \$(17,779) in the current period.

676,379

Change in Net Position of Governmental Activities	\$	704,816
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704,816

See accompanying notes to the basic financial statements.

Village of Doyline
Doyline, Louisiana
Statement of Net Position
Proprietary Fund
June 30, 2021

	Business-Type Activities
	Enterprise Fund
	Sewer Fund
Assets	
Current assets	
Cash	\$ 123
Receivables	4,723
Total current assets	4,846
Noncurrent assets	
Sewer system	1,634,917
Less: accumulated depreciation	(1,091,041)
Total noncurrent assets	543,876
Total assets	548,722
Liabilities	
Current liabilities	
Accounts payable	4,375
Total current liabilities	4,375
Net position	
Net investment in capital assets	543,876
Unrestricted	471
Total net position	\$ 544,347

See accompanying notes to the basic financial statements.

Village of Doyline
Doyline, Louisiana
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Fund
For the Year Ended June 30, 2021

	Business-Type Activities
	Enterprise Fund
	Sewer Fund
Operating Revenues	
Charges for services - sewer service charges	\$ 54,535
Total operating revenues	54,535
Operating Expenses	
Operator expenses	14,692
Collection fee	3,025
Other	704
Utilities	5,503
Repair and maintenance	39,745
Depreciation	43,278
Total operating expenses	106,947
Operating income (loss)	(52,412)
Non-Operating Revenues (Expenses)	
Interest income	3
Total non-operating revenues (expenses)	3
Income (loss) before contributions and transfers	(52,409)
Contributions and transfers:	
Transfer from general fund	4,000
Total contributions and transfers	4,000
Change in net position	(48,409)
Total net position, beginning of year	592,756
Total net position, end of year	\$ 544,347

See accompanying notes to the basic financial statements.

Village of Doyline
Doyline, Louisiana
Statement of Cash Flows
Proprietary Fund
For the Year Ended June 30, 2021

	Business-Type Activities Enterprise Fund
	Sewer Fund
Cash Flows from Operating Activities	
Receipts from customers and users	\$ 54,210
Payments to suppliers for goods and services	(60,568)
Net cash (used in) operating activities	(6,358)
Cash Flows from Non-Capital Financing Activities	
Transfer from general fund	4,000
Net cash provided by non-capital financing activities	4,000
Cash Flows from Investing Activities	
Interest income	3
Net cash provided by investing activities	3
Net (decrease) in cash	(2,355)
Cash, beginning of year	2,478
Cash, end of year	\$ 123
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:	
Operating income (loss)	\$ (52,412)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:	
Depreciation expense	43,278
(Increase) decrease in accounts receivable	(324)
Increase (decrease) in accounts payable and accrued expenses	3,100
Net cash (used in) operating activities	\$ (6,358)

See accompanying notes to the basic financial statements.

Village of Doyline
Doyline, Louisiana
Notes to the Financial Statements
June 30, 2021

Introduction

The Village of Doyline, Louisiana (The Village) was incorporated in 1949, under the provisions of the Lawrason Act. The Village is located in the Parish of Webster. Elected officials of the Village of Doyline are a mayor and three (3) alderman who are elected every four years.

(1) Summary of Significant Accounting Policies

The Village of Doyline's financial statements are prepared in conformity with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established in GAAP and used by the Village of Doyline are discussed below.

A. 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 (the 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 Village of Doyline are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

GASB 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.

In addition, the GASB states that a legally separate, tax-exempt organization should be reported as a component unit of a reporting entity if *all* of the following criteria are met:

1. The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents.

(Continued)

Village of Doyline
Doyline, Louisiana
Notes to the Financial Statements
June 30, 2021
(Continued)

2. The primary government is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization.
3. The economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government.

In addition, other organizations should be evaluated as potential component units if they are closely related to, or financially integrated with, the primary government.

Based on the criteria described above, there are no component units to be included as part of the reporting entity.

B. Basic Financial Statements – Government-Wide Statements

The Village of Doyline's basic financial statements include both government-wide (reporting the funds maintained by the Village of Doyline as a whole) and fund financial statements (reporting the Village of Doyline's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. The Village's general fund and capital projects funds are classified as governmental activities. The Village's sewer services are classified as business-type activities.

In the government-wide Statement of Net Position, both the governmental activities and business-type activities columns are presented on a consolidated basis by column and are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables, as well as long-term debt and obligations. The Village of Doyline's net position is reported in three parts – invested in capital assets, net of related debt, restricted, and unrestricted net position.

The government-wide Statement of Activities reports both the gross and net cost of each of the Village of Doyline's functions. The functions are also supported by general government revenues (sales and use taxes, certain intergovernmental revenues, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating, and capital grants. Program revenues must be directly associated with the function. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants. Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the proprietary fund's principal ongoing operations of providing sewer services.

The net costs (by function) are normally covered by general revenue (sales and use taxes, certain intergovernmental revenues, interest income, etc.).

This government-wide focus is more on the sustainability of the Village of Doyline as an entity and the change in the Village of Doyline's net assets resulting from the current year's activities.

(Continued)

Village of Doyline
Doyline, Louisiana
Notes to the Financial Statements
June 30, 2021
(Continued)

C. Basic Financial Statements – Fund Financial Statements

The financial transactions of the Village of Doyline are recorded in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

The following fund types are used by the Village of Doyline:

1. Governmental Funds – the focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental fund of the Village of Doyline:
 - a. General fund is the general operating fund of the Village of Doyline. It is used to account for all financial resources except those required to be accounted for in another fund.
 - b. Capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities with funding provided through the Louisiana Community Development Block Grant Program.
2. Proprietary Funds – the focus of proprietary fund measurement is upon determination of operating income, changes in net assets, financial position, and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. The following is a description of the proprietary funds of the Village:
 - a. Enterprise funds are required to be used to account for operations for which a fee is charged to external users for goods or services and the activity (a) is financed with debt that is solely secured by a pledge of the net revenues, (b) has third party requirements that the cost of providing services, including capital costs, be recovered with fees and charges, or (c) establishes fees and charges based on a pricing policy designed to recover similar costs.

The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories. Nonmajor funds by category are summarized into a single column. GASB sets forth minimum criteria (percentage of the assets, liabilities, revenues, or expenditures/expenses of fund category) for the determination of major funds.

The following major funds are presented in the fund financial statements:

General Fund – accounts for all financial resources except those required to be accounted for in another fund.

Capital Projects Fund – accounts for all proceeds for capital projects of the Village. This money is to be utilized for various Capital Projects with funding provided through the Louisiana Community Development Block Grant Program.

Enterprise Fund – accounts for the provision of sewer services of the Village.

(Continued)

Village of Doyline
Doyline, Louisiana
Notes to the Financial Statements
June 30, 2021
(Continued)

D. Basis of Accounting

Basis of accounting refers to the point at which revenues or expenditures are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

1. Accrual:

Both governmental and business-type activities in the government-wide financial statements and the proprietary fund financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

2. Modified Accrual:

The governmental funds financial statements are presented on the modified accrual basis of accounting. Under modified accrual basis of accounting, revenues are recorded when susceptible to accrual: i.e., both measurable and available. "Available" means collectible within the current period or within 60 days after year end. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term debt, if any, is recognized when due.

E. Cash, Cash Equivalents, and Investments

Cash includes amounts in petty cash, demand deposits, interest bearing demand deposits, and time deposits. 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.

Investments are limited by R.S. 33:2955 and the Village's investment policy. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents.

F. Capital Assets

Capital assets purchased or acquired with an original cost of \$5,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at acquisition value as of the date received. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Buildings and improvements	30–50 years
Furniture and equipment	5–10 years
Sewer systems	30–50 years

GASB requires the Village to report and depreciate new infrastructure assets effective July 1, 2003. Infrastructure assets include roads, bridges, traffic signals, etc. These infrastructure assets are likely to be the largest asset class of the Village. Neither their historical cost nor related depreciation has historically been reported in the financial statements. The retroactive reporting of infrastructure is not required.

(Continued)

Village of Doyline
Doyline, Louisiana
Notes to the Financial Statements
June 30, 2021
(Continued)

G. Revenues

Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. Revenues from ad valorem taxes are budgeted in the year billed. Sales tax revenues are recorded in the period in which the underlying exchange has occurred. Fines, forfeitures, licenses, and permits are recognized in the period they are collected. Interest income on demand and time deposits is recorded when earned. Federal and state grants are recorded when the Village is entitled to the funds.

H. Net Position

Net position represents the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources. Net position invested in capital assets, net of related debt, consist of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through constitutional provisions or enabling legislation adopted by the Village or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The Village's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

I. Sales Taxes

On November 4, 2014, the electors of the Village authorized a 1% sales and use tax effective January 1, 2015. Proceeds of the sales tax, after paying the reasonable and necessary expenses of collecting and administering the tax, to be dedicated and used for the following purposes: 75% for constructing and maintaining public streets in the Village and 25% for supporting the general operations of the Village.

J. Interfund Activity

Interfund activity is reported as either loans, reimbursements, or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances." Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. Transfers between governmental funds are netted as part of the reconciliation to the government-wide financial statements.

K. Use of Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and reported revenues and expenses. Actual results could differ from those estimates.

L. Bad Debts

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

(Continued)

Village of Doyline
Doyline, Louisiana
Notes to the Financial Statements
June 30, 2021
(Continued)

M. Capitalized Interest

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

N. Statement of Cash Flows

For the purposes of the Statement of Cash Flows, the Sewer Fund consider all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

O. Fund Balance

GASB defines the different types of fund balances that a governmental entity must use for financial reporting purposes. GASB requires the fund balance amounts to be properly reported within one of the fund balance categories listed below.

1. Nonspendable fund balances are amounts that cannot be spent because they are either (a) not in spendable form, such as inventory or prepaid expenses, or (b) legally or contractually required to be maintained intact, such as a trust that must be retained in perpetuity.
2. Restricted fund balances are restricted when constraints placed on the use of resources are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.
3. Committed fund balances include amounts that can be used only for the specific purposes as a result of constraints imposed by the Village Council (the Village's highest level of decision making authority). Committed amounts cannot be used for any other purpose unless the board of aldermen removes those constraints by taking the same type of action (i.e. legislation, resolution, ordinance).
4. Assigned fund balances are amounts that are constrained by the Village's intent to be used for specific purposes, but are neither restricted nor committed. Intent is expressed by the Mayor, an appointed body or official the Village Council has delegated the authority to assign, modify, or rescind amounts to be used for specific purposes.
5. Unassigned fund balance are the residual classification for the Village's general fund and include all spendable amounts not contained in the other classifications.

The Village's policy is to apply expenditures against nonspendable fund balances, restricted fund balances, committed fund balances, assigned fund balances, and unassigned fund balances, in that order.

The calculation of fund balance amounts begins with the determination of nonspendable fund balances. Then restricted fund balances for specific purposes are determined (not including non-spendable amounts). Then any remaining fund balance amounts for the non-general funds are classified as restricted fund balance. It is possible for the non-general funds to have negative unassigned fund balance when non-spendable amounts plus the restricted fund balances for specific purpose amounts exceeds the positive fund balance for the non-general fund.

(Continued)

Village of Doyline
Doyline, Louisiana
Notes to the Financial Statements
June 30, 2021
(Continued)

P. Postretirement Benefits

The Village provides no postretirement benefits to its employees.

Q. Compensated Absences

The Village provides for leave for its employees, but does not allow any carry forward of that time not used during the year.

R. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. At this time, the Village has no transactions that meet the definition of deferred outflows of resources

In addition to liabilities, the statement of financial position will sometimes report a separate section for *deferred inflows of resources*. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. At this time, the Village has no transactions that meet the definition of deferred inflows of resources.

(2) Budgets

The Village follows the following budget practices:

Formal budgetary accounting is employed as a management control. Village of Doyline prepares and adopts a budget each year for its general and utility funds in accordance with Louisiana Revised Statutes. The Village's budget is prepared based on prior year's revenues and expenditures and the estimated increase therein for the current year. Budgets are adopted on a cash basis on all funds. All budget appropriations lapse at year end. There was one budget amendment during the year ended June 30, 2021.

(3) Cash and Cash Equivalents

At June 30, 2021, the Village has cash and cash equivalents (book balances), totaling \$133,424, as detailed below.

A. Cash and Cash Equivalents

Cash and cash equivalents at June 30, 2021 (book balances) totaled \$133,424. 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.

B. Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. As of June 30, 2021, 100% of the Village's bank balances were secured by FDIC insurance.

(Continued)

Village of Doyline
Doyline, Louisiana
Notes to the Financial Statements
June 30, 2021
(Continued)

(4) Capital Assets

Capital assets and depreciation activity as of and for the year ended June 30, 2021 is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital assets, not being depreciated				
Land	\$ 28,015	\$	\$	\$ 28,015
Total capital assets, not being depreciated	28,015			28,015
Capital assets, being depreciated				
Buildings and other improvements	54,316			54,316
Machinery and equipment	58,659	7,396		66,055
Streets		686,762		686,762
Total capital assets being depreciated	112,975	694,158		807,133
Less accumulated depreciation for:				
Buildings and improvements	(54,316)			(54,316)
Machinery and equipment	(40,518)	(10,148)		(50,666)
Streets		(7,631)		(7,631)
Total accumulated depreciation	(94,834)	(17,779)		(112,613)
Total capital assets being depreciated, net	18,141	676,379		694,520
Governmental activities capital assets, net	<u>\$ 46,156</u>	<u>\$ 676,379</u>	<u>\$</u>	<u>\$ 722,535</u>
Business-Type Activities:				
Capital assets, being depreciated				
Sewer system	\$ 1,619,954	\$	\$	\$ 1,619,954
Sewer equipment	14,963			14,963
Total capital assets, being depreciated	1,634,917			1,634,917
Less accumulated depreciation for:				
Sewer system	(1,032,800)	(43,278)		(1,076,078)
Sewer equipment	(14,963)			(14,963)
Total accumulated depreciation	(1,047,763)	(43,278)		(1,091,041)
Total capital assets being depreciated, net	587,154	(43,278)		543,876
Business-type activities capital assets, net	<u>\$ 587,154</u>	<u>\$ (43,278)</u>	<u>\$</u>	<u>\$ 543,876</u>

Depreciation expense for the year ended June 30, 2021 was charged as follows:

Governmental activities:	
Public Safety	\$ 7,652
Streets	10,127
	<u>\$ 17,779</u>
Business-Type activities:	
Sewer	<u>\$ 43,278</u>

(Continued)

Village of Doyline
Doyline, Louisiana
Notes to the Financial Statements
June 30, 2021
(Continued)

(5) Receivables

Receivables at June 30, 2021 are as follows:

Governmental activities:	
Sales and use taxes	\$ 12,969
Franchise Tax	7,275
Intergovernmental	<u>5,024</u>
	<u>25,268</u>
 Business-type activities:	
Sewer charges	4,723
	<u>\$ 29,991</u>

(6) Risk Management

The Village is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Village attempts to minimize risk from significant losses through the purchase of insurance.

(7) Subsequent Events

Subsequent events have been evaluated through December 30, 2021, the date the financial statements were available to be issued.

(8) Levied Taxes

The Village levies taxes on real and business personal property located within its boundaries. The Parish Tax Assessor assesses the property values and prepares the Village's property tax roll. The Village bills and collects its own property taxes. Ad valorem taxes are levied and billed to the taxpayers in December, and are payable upon receipt of notice. Ad valorem taxes attach as an enforceable lien on property as of December 31, of each year. Taxes of 5.74 mills were levied and were dedicated for general operating purposes.

(9) Interfund Transfers

During the year ended June 30, 2021, the general fund transferred \$4,000 to the sewer fund for operations.

(10) Uncertainty

As a result of the COVID-19 Coronavirus, economic uncertainties have arisen which are likely to negatively impact financial resources. While the duration on the economic impact is expected to be temporary, there is considerable uncertainty around the duration. The related financial impact and duration cannot be reasonable estimated at this time.

Village of Doyline
Doyline, Louisiana
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Cash Basis) and Actual
General Fund
For the Year Ended June 30, 2021

Revenues	Budgeted Amount		Actual Amount	Variance with Final Budget Positive (Negative)
	Original	Final		
Sales tax	\$ 68,750	\$ 68,750	\$ 94,977	\$ 26,227
Franchise tax	34,750	34,750	32,722	(2,028)
Ad valorem tax	12,000	12,000	14,486	2,486
License and permits	35,000	35,000	36,065	1,065
Fines and forfeitures	34,750	23,112	20,859	(2,253)
Intergovernmental			20,801	20,801
Investment earnings			113	113
Miscellaneous	2,360	2,360	566	(1,794)
Total revenues	<u>187,610</u>	<u>175,972</u>	<u>220,589</u>	<u>44,617</u>
Expenditures				
Current				
General government	214,050	148,747	139,345	9,402
Public safety	35,400	35,400	22,613	12,787
Capital outlay			7,396	(7,396)
Total expenditures	<u>249,450</u>	<u>184,147</u>	<u>169,354</u>	<u>14,793</u>
Revenues over (under) expenditure	(61,840)	(8,175)	51,235	59,410
Other financing sources (uses):				
Transfer to sewer fund	<u>(10,000)</u>	<u>(10,000)</u>	<u>(4,000)</u>	<u>6,000</u>
Net change in fund balance	(71,840)	(18,175)	47,235	65,410
Fund balance, beginning of year	<u>71,840</u>	<u>18,175</u>	<u>86,066</u>	<u>67,891</u>
Fund balance, end of year	<u>\$</u>	<u>\$</u>	<u>\$ 133,301</u>	<u>\$ 133,301</u>

Village of Doyline
Doyline, Louisiana
Notes to Required Supplementary Information
June 30, 2021

The Village's budget is adopted on a cash basis for all funds. There was one amendment to the June 30, 2021 budget. Budget comparison statements included in the accompanying financial statements include the original adopted budgets and all amendments. The schedule below reconciles excess (deficiency) of revenues and other sources over expenditures and other uses on the budget basis with GAAP basis:

	General Fund
Excess of revenues and other sources over expenditures and other uses (budget basis)	\$ 47,235
Adjustments:	
Revenue accruals – net	(4,338)
	(15,077)
Excess of revenues and other sources over expenditures and other uses (GAAP basis)	\$ 27,820

Village of Doyline
Doyline, Louisiana
Schedule of Compensation Paid to Council Members and Mayor
For the Year Ended June 30, 2021

Mayor:

Steven T. Bridwell	\$	3,600
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Council Members:

Carol Collier		3,000
Crystal Gates		3,000
Jakie Daniels		3,000
	\$	<u>12,600</u>

Village of Doyline
Doyline, Louisiana
Schedule of Compensation, Benefits, and Other Payments to Agency Head
For the Year Ended June 30, 2021

Agency Head: Steven T. Bridwell, Mayor

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 3,600

Village of Doyline
Doyline, Louisiana
Other Supplementary Information
Justice System Funding Schedule
Collecting/Disbursing Schedule
As Required by Act 87 of the 2020 Regular Legislative Session
For the Year Ended June 30, 2021

	July 2020 - December 2020	January 2021 - June 2021
Cash Basis Presentation		
Beginning Balance of Amounts Collected (i.e. cash on hand)	-	-
Add: Collections		
Criminal Fines - Other	8,932	11,927
Subtotal Collections	8,932	11,927
Less: Disbursements to Governments and Nonprofits		
Louisiana Judicial College - Criminal Fines - Other	30	
Louisiana Traumatic Head and Spinal Cord Injury Trust Fund - Criminal Fines - Other	305	
North Louisiana Criminalistics Laboratory Commission - Criminal Fines - Other	1,830	
State of Louisiana Treasurer - CMIS - Criminal Fines - Other	61	
Louisiana Commission on Law Enforcement - Criminal Fines - Other	556	
Ware Youth Center - Criminal Fines - Other	458	
Less: Amounts Retained by Collecting Agency		
Amounts Self-Disbursed to Collecting Agency - Criminal Fines - Other	5,692	11,927
Subtotal Disbursements/Retainage	8,932	11,927
Total: Ending Balance of Amounts Collected but not Disbursed/Retained (i.e. cash on hand)	-	-
Ending Balance of "Partial Payments" Collected but not Disbursed	-	-

Other Information:

Ending Balance of Total Amounts Assessed but not yet Collected (i.e. receivable balance)	-	-
Total Waivers During the Fiscal Period (i.e. non-cash reduction of receivable balances, such as time served or community service)	-	-

COOK & MOREHART

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STUART L. REEKS, CPA
J. PRESTON DELAUNE, CPA

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*

Independent Auditors' Report

To the Honorable Steven Bridwell, Mayor
and the Village Council
Village of Doyline, Louisiana
Doyline, Louisiana

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, business-type activities, and each major fund of the Village of Doyline as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Village of Doyline's basic financial statements, and have issued our report thereon dated December 30, 2021.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Village of Doyline's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Village of Doyline's internal control. Accordingly, we do not express an opinion on the effectiveness of the Village of Doyline's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We have identified a certain deficiency in internal control, described in the accompanying schedule of current year audit findings as item 2021-1, that we consider to be a material weakness.

Compliance and Other Matters

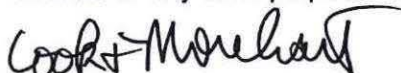
As part of obtaining reasonable assurance about whether Village of Doyline's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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 or other matters that are required to be reported under *Government Auditing Standards*.

Village of Doyline's Response to Finding

Village of Doyline's response to the finding identified in our audit is described in the accompanying Schedule of Current Year Audit Findings. Village of Doyline's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Cook & Morehart
Certified Public Accountants
December 30, 2021

Village of Doyline
Doyline, Louisiana
Schedule of Prior Year Audit Findings
Schedule For Louisiana Legislative Auditor
June 30, 2021

There were two findings for the prior year review report for the year ended June 30, 2020.

2020-1 Finding - Budget

Condition: Actual expenditures and other financing uses for the General Fund exceeded budgeted expenditures by more than 5%.

Recommendation: We recommend a proper monitoring of budget to actual comparisons throughout the year and that budgets be appropriately amended when actual plus projected expenditures and other financing uses exceed budgeted amounts by more than 5%.

Current Status: Finding not repeated

2020-2 Finding – Fraud/Misappropriation

Condition: The former Village Clerk was arrested and charged with felony theft. It appeared the Village Clerk had issued herself additional payroll checks that she was not authorized to receive. The Village Clerk is no longer employed by the Village.

Current Status: The investigation was completed by the Webster Parish Sheriff's Office and the District Attorney of the 26th Judicial District. Restitution was received by the Village in July, 2021.

Village of Doyline
Doyline, Louisiana
Schedule of Current Year Audit Findings
Schedule For Louisiana Legislative Auditor
June 30, 2021

2021-1 Material Weakness – Segregation of Duties

Condition: Effective internal controls should be in place to adequately account for the Village's financial activity, which includes proper segregation of duties.

Criteria: The Village Clerk performs substantially all the accounting duties which includes collecting payments to the Village, preparing disbursement checks and maintaining the Village's accounting records.

Cause: The Village's office has only one employee, the Village Clerk, to perform the accounting duties. Due to the size of the Village and economic limitations, proper segregation of duties is limited.

Effect: Due to lack of segregation of duties, errors and/or irregularities could occur and not be detected.

Recommendation: It may not be cost effective or practical to correct the finding due to the economic limitations of the Village.

Management Response: The Village is a small village with limited resources. Due to the size of our village and the work load, it is not feasible to hire more than one employee for the accounting duties. The Village will make every effort to segregate duties as allowed by economic limitations.

Name of Contact Person: Steven T. Bridwell, Mayor