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**Village of Doyline
Doyline, Louisiana**

General Purpose Financial Statements

As of and for the Year Ended June 30, 1996

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, entity and other appropriate public officials. 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 APR 02 1997

Village of Doyline
Doyline, Louisiana

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Independent Auditors' Report

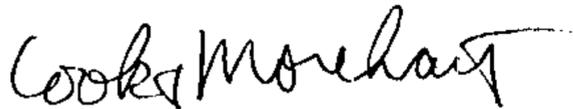
The Honorable Frances Curry, Mayor
and Members of the Board of Alderman
Village of Doyline
Doyline, Louisiana

We have audited the accompanying general purpose financial statements of the Village of Doyline, Louisiana, as of June 30, 1996 and for the year 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, Government Auditing Standards, issued by the Comptroller General of the United States, and the provisions of Office of Management and Budget Circular A-128, Audits of State and Local Governments. Those standards require that we 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 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 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, 1996, and the results of its operations and the cash flows of its proprietary fund type for the year then ended, in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued a report dated December 13, 1996 and shown on pages 18-19 on our consideration of the Village of Doyline's internal control structure and a report dated December 13, 1996 and shown on page 20 on its compliance with laws and regulations.



Cook & Morehart
Certified Public Accountants

December 13, 1996

Village of Doyline
Doyline, Louisiana
Combined Balance Sheet -- All Fund Types and Account Group
June 30, 1996

	<u>Governmental Fund Types</u>		<u>Proprietary Fund Type</u>	<u>Account Group</u>	<u>Total (Memorandum Only)</u>
	<u>General</u>	<u>Capital Projects</u>	<u>Enterprise</u>	<u>General Fixed Assets</u>	
Assets					
Cash	\$ 59,306	\$ 2	\$ 13,194	\$ -	\$ 72,502
Receivables	-	-	3,936	-	3,936
Land, buildings, equipment and improvements	-	-	-	141,090	141,090
Sewer system	-	-	1,286,476	-	1,286,476
Accumulated depreciation	-	-	(140,917)	-	(140,917)
Total assets	<u>\$ 59,306</u>	<u>\$ 2</u>	<u>\$ 1,162,689</u>	<u>\$ 141,090</u>	<u>\$ 1,363,087</u>
Liabilities and Fund Equity					
Liabilities					
Accounts payable	\$ 1,415	\$ -	\$ 176	\$ -	\$ 1,591
Fund Equity					
Contributed capital	-	-	1,262,236	-	1,262,236
Investment in general fund assets	-	-	-	141,090	141,090
Retained earnings (deficit) - unreserved	-	-	(99,723)	-	(99,723)
Fund balances - undesignated	57,891	2	-	-	57,893
Total fund equity	<u>57,891</u>	<u>2</u>	<u>1,162,513</u>	<u>141,090</u>	<u>1,361,496</u>
Total liabilities and fund equity	<u>\$ 59,306</u>	<u>\$ 2</u>	<u>\$ 1,162,689</u>	<u>\$ 141,090</u>	<u>\$ 1,363,087</u>

The accompanying notes are an integral part of this statement.

Village of Doyline
Doyline, Louisiana
Statement of Revenues, Expenditures and Changes
In Fund Balances – Budget (GAAP Basis) and Actual
General Fund
Year Ended June 30, 1996

	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
Revenue:			
Taxes:			
Ad valorem property tax	\$ 6,000	\$ 6,118	\$ 118
Franchise	12,000	15,964	3,964
Licenses and permits	11,000	22,523	11,523
Intergovernmental	4,800	4,780	(20)
Interest income	-	1,137	1,137
Miscellaneous	3,300	2,070	(1,230)
Total revenues	<u>37,100</u>	<u>52,592</u>	<u>15,492</u>
Expenditures:			
Current -			
General government	46,300	34,536	11,764
Public safety - police	9,100	8,255	845
Total expenditures	<u>55,400</u>	<u>42,791</u>	<u>12,609</u>
Excess of revenues over expenditures	(18,300)	9,801	28,101
Fund balances at beginning of year	<u>21,500</u>	<u>48,090</u>	<u>26,590</u>
Fund balances at end of year	<u>\$ 3,200</u>	<u>\$ 57,891</u>	<u>\$ 54,691</u>

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
 Year Ended June 30, 1996

Operating revenues:

Sewer user fees	\$ 22,865
Other	922
Total operating revenues	23,787

Expenses:

Depreciation	32,162
Collection and processing fee	2,700
Utilities	1,947
Operator fees	3,325
Repairs and maintenance	2,509
Miscellaneous	4,521
Testing -- lab fees	1,464
Total expenses	48,628

Operating income (loss)	(24,841)
-------------------------	-----------

Nonoperating revenue – interest income	294
--	-----

Net income (loss)	(24,547)
-------------------	-----------

Retained earnings (deficit), beginning of year	(75,176)
--	-----------

Retained earnings (deficit), end of year	\$ (99,723)
--	--------------

The accompanying notes are an integral part of this statement.

Village of Doyline
 Doyline, Louisiana
 Statement of Cash Flows
 Enterprise Fund
 Sewer Fund
 Year Ended June 30, 1996

Cash flows from operating activities:	
Operating net income (loss)	\$ (24,841)
Adjustments to reconcile operating income to net cash provided by (used) by operating activities:	
Depreciation	32,162
Increase (decrease) in accounts payable	(20)
(Increase) in accounts receivable	(847)
Net cash provided by operating activities	6,454
Cash flows from investing activities:	
Interest income	294
Net increase (decrease) in cash and cash equivalents	6,748
Cash and cash equivalents, July 1, 1995	6,446
Cash and cash equivalents, June 30, 1996	\$ 13,194

The accompanying notes are an integral part of this statement.

Village of Doyline
Doyline, Louisiana
Notes to Financial Statements
June 30, 1996

(1) Summary of Significant Accounting Policies

The Village of Doyline was incorporated in 1949 under the provisions of the Lawrason Act. The City 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

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.

Village of Doyline
Doyline, Louisiana
Notes to Financial Statements
(Continued)
June 30, 1996

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 and the acquisition or construction of general fixed assets. Governmental funds include:

1. 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.
2. Capital projects funds – account for financial resources received and used for the acquisition, construction, or improvement of capital facilities not reported in the 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 the operation (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 revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Village of Doyline
Doyline, Louisiana
Notes to Financial Statements
(Continued)
June 30, 1996

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 (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) 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.

Village of Doyline
Doyline, Louisiana
Notes to Financial Statements
(Continued)
June 30, 1996

E. Budget and Budgetary Accounting (Continued)

4. All budgetary appropriations lapse at the end of each fiscal year.
5. Budgets 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. Inventories

Purchases of various 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.

G. 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.

H. Compensated Absences

The Village has no formal compensated absences policy. As of June 30, 1996, employee leave benefits were determined to be immaterial and is therefore not recorded as a liability.

I. 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.

Village of Doyline
Doyline, Louisiana
Notes to Financial Statements
(Continued)
June 30, 1996

J. 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 in the General Fixed Assets Account Group. Public domain ("infrastructure") general fixed assets including roads and sidewalks are not capitalized. No depreciation has been provided on such 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.

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 of all exhaustible fixed assets used by the proprietary fund operations is charged as an expense against operations.

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

Sewer System	40 years
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K. Cash and Cash Equivalents

Cash includes amounts in demand deposits, interest bearing demand deposits, and time deposits. Under state law, the Village may deposit funds in demand deposits, interest-bearing demand deposits, 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 may invest in United States bonds, treasury notes, or certificates.

Cash equivalents include amounts in time deposits and those investments with original maturities of ninety days or less.

Village of Doyline
Doyline, Louisiana
Notes to Financial Statements
(Continued)
June 30, 1996

L. Postretirement Benefits

The Village provides no postretirement benefits to its employees.

M. Fund Equity

Contributed Capital

Contributed capital is recorded in proprietary funds that have received capital grants 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.

(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, 1996, taxes of \$6,347 were levied on property with assessed valuations totaling \$1,153,918.

The assessment was 5.50 mills.

(3) Cash and Cash Equivalents

At June 30, 1996 the Village had cash and cash equivalents (book balances) totaling \$72,502. All of the accounts are at one bank and are secured by FDIC insurance.

(4) Receivables

Receivables at June 30, 1996 consist of sewer customer accounts receivable.

Village of Doyline
Doyline, Louisiana
Notes to Financial Statements
(Continued)
June 30, 1996

(5) Changes in Fixed Assets

A summary of changes in general fixed assets follows:

	Balance June 30, 1995	Additions	Deletions	Balance June 30, 1996
Land	\$ 7,200	\$ -	\$ -	\$ 7,200
Buildings	15,582	-	-	15,582
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>\$ -</u>	<u>\$ -</u>	<u>\$ 141,090</u>

A summary of proprietary fund type property, plant and equipment at June 30, 1996 follows:

	Balance June 30, 1995	Additions	Deletions	Balance June 30, 1996
Sewerage Utility Sewer system	\$ 1,286,476	-	-	1,286,476
Less accumulated depreciation	(108,755)	(32,162)	-	(140,917)
Net	<u>\$ 1,177,721</u>	<u>\$ (32,162)</u>	<u>\$ -</u>	<u>\$ 1,145,559</u>

Village of Doyline
Doyline, Louisiana
Notes to Financial Statements
(Continued)
June 30, 1996

(6) Retained Earnings (Deficit) – Proprietary Fund Type

The retained earnings (deficit) of the Proprietary Fund at June 30, 1996 as shown on the Combined Balance Sheet is comprised of the enterprise fund.

	<u>Retained Earnings (Deficit)</u> <u>Amount</u>
Sewer	<u>\$ (99,723)</u>

(7) Compensation – Per Diem Mayor and Alderman

During the year ended June 30, 1996, no compensation or per diem was paid to the Mayor or members of the Board of Alderman.

(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 year ended June 30, 1996 the Village received and expended \$282,776 federal funds received from the Louisiana Community Development Block Grant Program.

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Report on Schedule of Federal Financial Assistance

Village of Doyline
Doyline, Louisiana

We have audited the general purpose financial statements of the Village of Doyline as of June 30, 1996 and for the year then ended, and have issued our report thereon dated December 13, 1996. These general purpose financial statements are the responsibility of the Village's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, and OMB Circular A-128, Audits of State and Local Governments 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 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. We believe that our audit provides a reasonable basis for our opinion.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements of the Village of Doyline taken as a whole. The accompanying schedule of federal financial assistance is presented for purposes of additional analysis and is not a required part of the general purpose financial statements. The information in that schedule has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.



Cook & Morehart
Certified Public Accountants
December 13, 1996

Village of Doyline
 Doyline, Louisiana
 Schedule of Federal Financial Assistance
 For the Year Ended June 30, 1996

<u>Federal Grantor / Pass-Through Grantor / Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Expenditures</u>
NONMAJOR PROGRAMS			
U.S. Department of Housing and Urban Development Passed through the Louisiana Community Development Block Grant Program	14.219	101-6073	\$ 248,520
Passed through the Louisiana Community Development Block Grant Program	14.219	101-6070	34,256
			<u>\$ 282,776</u>

**Reports in Accordance with
Government Auditing Standards**

COOK & MOREHART

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Report on Internal Control Structure Based on an Audit of General Purpose 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, 1996 and for the year then ended, and have issued our report thereon dated December 13, 1996.

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

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

In planning and performing our audit of the general purpose financial statements of the Village of Doyline as of June 30, 1996 and for the year then ended, we obtained an understanding of the internal control structure. With respect to the internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that error or irregularities in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control structure and its operation that we consider to be material weaknesses as defined above.

This report is intended for the information of the Village of Doyline. However, this report is a matter of public record and its distribution is not limited.



Cook & Morehart
Certified Public Accountants
December 13, 1996

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Compliance Report Based on an Audit of General Purpose Financial
Statements Performed in Accordance With Government Auditing Standards

Village of Doyline
Doyline, Louisiana

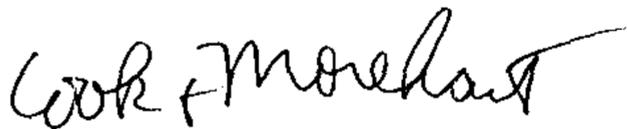
We have audited the general purpose financial statements of the Village of Doyline as of June 30, 1996 and for the year then ended, and have issued our report thereon dated December 13, 1996.

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

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

The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

This report is intended for the information of the Village of Doyline. However, this report is a matter of public record and its distribution is not limited.



Cook & Morehart
Certified Public Accountants
December 13, 1996

**Reports in Accordance With
OMB Circular A-128**

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Single Audit Report on the Internal Control Structure Used in Administering Federal Financial Assistance Programs

Village of Doyline
Doyline, Louisiana

We have audited the general purpose financial statements of the Village of Doyline, as of June 30, 1996 and for the year then ended, and have issued our report thereon dated December 13, 1996.

We conducted our audit in accordance with generally accepted auditing standards; Government Auditing Standards, issued by the Comptroller General of the United States; and Office of Management and Budget Circular A-128, Audits of State and Local Governments. Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

In planning and performing our audit for the year ended June 30, 1996, we considered the Village's internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the Village's general purpose financial statements and to report on the internal control structure in accordance with OMB Circular A-128. This report addresses our consideration of internal control structure policies and procedures relevant to compliance with requirements applicable to federal financial assistance programs. We have addressed internal control structure policies and procedures relevant to our audit of the general purpose financial statements in a separate report dated December 13, 1996.

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

For the purpose of this report, we have classified the significant internal control structure policies and procedures used in administering federal financial assistance programs in the following categories:

Accounting Controls

- Budget
- Cash
- Revenue, receivables, and receipts
- Expenditures for goods and services and accounts payable
- Payroll and related liabilities
- Property, equipment and capital expenditures

Controls used in administering individual federal financial assistance programs

General requirements

- | | |
|-----------------------------|------------------------------------|
| Political activity | Cash management |
| Civil rights | Federal financial reports |
| Administrative requirements | Allowable costs / costs principles |
| Drug-Free Workplace Act | Davis-Bacon Act |

Specific requirements

- | | |
|-------------------|----------------------|
| Types of services | Cost allocation |
| Reporting | Special requirements |

For all of the internal control structure categories listed above, we obtained an understanding of the design of relevant policies and procedures and determined whether they have been placed in operation, and we assessed control risk.

During the year ended June 30, 1996, the Village of Doyline had no major federal financial assistance programs and expended 100% of its total federal financial assistance under the following nonmajor program:

U.S. Department of Housing and Urban Development
Louisiana Community Development Block Grant Program
CFDA # 14.219 \$ 282,776

We performed tests of controls, as required by OMB Circular A-128, to evaluate the effectiveness of the design and operation of internal control structure policies and procedures that we considered relevant to preventing or detecting material noncompliance with specific requirements, general requirements and requirements governing claims for advances and reimbursements, that are applicable to the aforementioned nonmajor program. Our procedures were less in scope than would be necessary to render an opinion on these internal control structure policies and procedures. Accordingly, we do not express such an opinion.

Our consideration of the internal control structure policies and procedures used in administering federal financial assistance would not necessarily disclose all matters in the internal control structure that might constitute material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that noncompliance with laws and regulations that would be material to a federal financial assistance program 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 structure and its operations that we consider to be material weaknesses as defined above.

This report is intended for the information of the Village of Doyline. However, this report is a matter of public record and its distribution is not limited.



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December 13, 1996

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Single Audit Report on Compliance With the General Requirements
Applicable to Federal Financial Assistance Programs

Village of Doyline
Doyline, Louisiana

We have audited the general purpose financial statements of the Village of Doyline as of June 30, 1996 and for the year then ended, and have issued our report dated December 13, 1996.

We have applied procedures to test the Village of Doyline's compliance with the following requirements applicable to its federal financial assistance program, which is identified in the schedule of federal assistance, for the year ended June 30, 1996:

Political activity	Cash management
Civil rights	Allowable costs / cost principles
Administrative requirements	Federal financial reports
Drug-Free Workplace Act	Davis-Bacon Act

Our procedures were limited to the applicable procedures described in the Office of Management and Budget's Compliance Supplement for Single Audits of State and Local Governments. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the Village's compliance with the requirements listed in the preceding paragraph. Accordingly, we do not express such an opinion.

With respect to the items tested, the results of those procedures disclosed no material instances of noncompliance with the requirements listed in the second paragraph of this report. With respect to items not tested, nothing came to our attention that caused us to believe that the Village of Doyline had not complied, in all material respects with those requirements.

This report is intended for the information of the Village of Doyline. However, this report is a matter of public record and its distribution is not limited.



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Single Audit Report on Compliance With Specific Requirements
Applicable to Nonmajor Federal Financial Assistance Program Transactions

Village of Doyline
Doyline, Louisiana

We have audited the general purpose financial statements of the Village of Doyline, as of June 30, 1996, and for the year then ended, and have issued our report thereon dated December 13, 1996.

In connection with our audit of the general purpose financial statements of the Village of Doyline, and with our consideration of the Village of Doyline's control structure used to administer federal financial assistance programs, as required by Office of Management and Budget Circular A-128, Audits of State and Local Governments we selected certain transactions applicable to certain nonmajor federal financial assistance programs for the year ended June 30, 1996.

As required by OMB Circular A-128, we have performed auditing procedures to test compliance with the requirements governing types of services allowed or unallowed; reporting; cost allocation; and special requirements that are applicable to those transactions. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the Village of Doyline's compliance with these requirements. Accordingly, we do not express such an opinion.

With respect to the items tested, the results of those procedures disclosed no material instances of noncompliance with the requirements listed in the preceding paragraph. With respect to items not tested, nothing came to our attention that caused us to believe that the Village of Doyline had not complied, in all material respects, with those requirements.

This report is intended for the information of the Village of Doyline. However, this report is a matter of public record and its distribution is not limited.



Cook & Morehart
Certified Public Accountants
December 13, 1996

Village of Doyline
Doyline, Louisiana
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 1996

There were no compliance findings or questioned costs for the previous year audit for the year ended June 30, 1995.

There are no compliance findings or questioned costs in this audit for the year ended June 30, 1996.