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**Village of Doyline
Doyline, Louisiana**

Financial Statement with Auditors' Report

As of and For the Years Ended June 30, 2004 and 2003

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

Release Date 1-26-05

Village of Doyline
Doyline, Louisiana

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Doyline, Louisiana

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Independent Auditors' Report

The Honorable Cleveland Bradfield, Mayor
and Members of the Board of Alderman
Village of Doyline
Doyline, Louisiana

We have audited the accompanying financial statements of the governmental activities, business-type activities, and each major fund of the Village of Doyline, Louisiana, as of and for the years ended June 30, 2004 and 2003, which collectively comprise the Village's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Village of Doyline's management. Our responsibility is to express an opinion on these financial statements based on our audit.

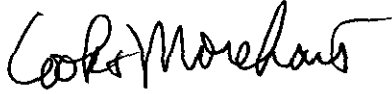
We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the *Comptroller General of the United States*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 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, as of June 30, 2004 and 2003, and the respective changes in financial position and cash flows, where applicable, thereof for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 17, 2004 on our consideration of the Village of Doyline's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

As described in Note 1, the Village has implemented a new financial reporting model, as required by the provisions of GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, as of July 1, 2002.

The management's discussion and analysis and budgetary comparison information on pages 3-8 and on pages 33-34, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.



Cook & Morehart
Certified Public Accountants
December 17, 2004

VILLAGE OF DOYLINE

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of the Village of Doyline's financial performance provides an overview of the Village of Doyline's financial activities for the fiscal years ended June 30, 2004 and 2003. Please read it in conjunction with the Village's financial statements, which begin on page 9.

FINANCIAL HIGHLIGHTS

- The Village of Doyline's net assets of our governmental activities were virtually unchanged for the year ended June 30, 2004. The Village's net assets of our governmental activities decreased by \$8,741 or 5% for the year ended June 30, 2003.
- The Village of Doyline's net assets of our business-type activities decreased by \$28,474 and \$20,751 for the years ended June 30, 2004 and 2003, respectively.
- In the Village's governmental activities, total general and program revenues were \$67,448 in 2004 compared to \$60,472 in 2003. For the years ended June 30, 2004 and 2003, the Village had total expenses in the governmental activities, excluding depreciation, of \$59,704 and \$64,382, respectively.
- In the Village's business-type activities, revenues, excluding transfers, were virtually unchanged from 2003 to 2004. Expenses decreased by \$3,830 from 2003 to 2004.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities (on pages 9 through 12) provide information about the activities of the Village of Doyline as a whole and present a longer-term view of the Village's finances. Fund financial statements start on page 13. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the Village of Doyline's operations in more detail than the government-wide statements by providing information about the Village of Doyline's most significant funds.

Reporting the Village of Doyline as a Whole

Our analysis of the Village of Doyline as a whole begins on page 9. One of the most important questions asked about the Village of Doyline's finances is "Is the Village of Doyline as a whole better off or worse off as a result of the year's activities?" The Statement of Net Assets and the Statement of Activities report information about the funds maintained by the Village of Doyline as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the *accrual basis of accounting*, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the Village of Doyline's *net assets* and changes in them. You can think of the Village of Doyline's net assets – the difference between assets and liabilities – as one way to measure the Village of Doyline's financial health, or *financial position*. Over time, *increases* or *decreases* in the Village of Doyline's net assets are one indicator of whether its *financial health* is improving or deteriorating. You will need to consider other non-financial factors, however, such as changes in the Village's property tax base, to assess the overall health of the Village.

In the Statement of Net Assets and the Statement of Activities, we divide the Village into two kinds of activities:

Governmental activities – Most of the Village's basic services are reported here, including the police, fire, public works, and general administration. Property taxes, franchise fees, sales taxes, and police department fines, and various other revenues finance most of these activities.

Business-type activities – The Village charges a fee to customers to help it cover all or most of the cost of certain services it provides. The Village's water and sewer system are reported here.

Reporting the Village's Most Significant Funds

Our analysis of the major funds maintained by the Village of Doyline begins on page 13. The fund financial statements begin on page 13 and provide detailed information about the most significant funds maintained by the Village of Doyline – not the Village of Doyline as a whole. The Village of Doyline's two kinds of funds – *governmental* and *proprietary* – use different accounting approaches.

Governmental funds – Most of the Village of Doyline's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed *short-term view* of the Village of Doyline's general government operations and the expenses paid from those funds. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance certain Village of Doyline expenses. We describe the relationship (or differences) between governmental *activities* (reported in the Statement of Net Assets and the Statement of Activities) and governmental *funds* in a reconciliation following the fund financial statements.

Proprietary funds – When the Village charges customers for the services it provides, these services are generally reported in *proprietary funds*. *Proprietary funds* are reported in the same way that all activities are reported in the Statement of Net Assets and the Statement of Activities. In fact, the Village's enterprise funds (a component of proprietary funds) are the same as the *business-type activities* we report in the government-wide statements but provide more detail and additional information, such as cash flows, for proprietary funds.

THE VILLAGE OF DOYLINE AS A WHOLE

The Village of Doyline's combined net assets decreased from \$1,160,088 at June 30, 2003 to \$1,134,305 at June 30, 2004. The June 30, 2003, year was the first period that GASB Statement 34 was applied. The Village of Doyline was not required to restate the prior periods for purposes of providing comparative data. However, our analysis below will focus on key elements of the total governmental and proprietary funds for the two-year period ending June 30, 2004. In future years, when prior year information is available, a comparative analysis of the funds maintained by the Village of Doyline will be presented.

Table 1
Net Assets

	Governmental Activities		Business-type Activities		Total	
	2004	2003	2004	2003	2004	2003
Current and other assets	\$ 133,563	\$ 125,847	\$ 38,613	\$ 30,055	\$ 172,176	\$ 155,902
Capital assets	<u>48,141</u>	<u>53,194</u>	<u>915,454</u>	<u>952,217</u>	<u>963,595</u>	<u>1,005,411</u>
Total assets	<u>181,704</u>	<u>179,041</u>	<u>954,067</u>	<u>982,272</u>	<u>1,135,771</u>	<u>1,161,313</u>
Current liabilities	<u>1,048</u>	<u>1,076</u>	<u>418</u>	<u>149</u>	<u>1,466</u>	<u>1,225</u>
Total liabilities	<u>1,048</u>	<u>1,076</u>	<u>418</u>	<u>149</u>	<u>1,466</u>	<u>1,225</u>
Net assets:						
Invested in capital assets	48,141	53,194	915,454	952,217	963,595	1,005,411
Unrestricted	<u>132,515</u>	<u>124,771</u>	<u>38,195</u>	<u>29,906</u>	<u>170,710</u>	<u>154,677</u>
Total net assets	<u>\$ 180,656</u>	<u>\$ 177,965</u>	<u>\$ 953,649</u>	<u>\$ 982,123</u>	<u>\$ 1,134,305</u>	<u>\$ 1,160,088</u>

Net assets of the Village of Doyline's governmental activities were virtually unchanged, increasing from \$177,965 at June 30, 2003 to \$180,656 at June 30, 2004. Net assets of the Village of Doyline's business-type activities decreased from \$982,123 at June 30, 2003 to \$953,649 at June 30, 2004.

Table 2
Change in Net Assets

	Governmental Activities		Business-type Activities		Total	
	2004	2003	2004	2003	2004	2003
Revenues						
Program revenues						
Charges for services	\$ 5,918	\$ 11,394	\$ 23,536	\$ 22,559	\$ 29,454	\$ 33,953
Capital grants and contributions	1,871	1,418	-	-	1,871	1,418
General revenues						
Ad valorem taxes	8,173	7,915	-	-	8,173	7,915
Franchise taxes	19,068	19,125	-	-	19,068	19,125
Licenses and permits	30,162	27,778	-	-	30,162	27,778
Investment earnings	524	859	297	827	821	1,686
Miscellaneous	1,732	3,983	-	-	1,732	3,983
Transfers	-	(12,000)	-	12,000	-	-
Total revenues	<u>67,448</u>	<u>60,472</u>	<u>23,833</u>	<u>35,386</u>	<u>91,281</u>	<u>95,858</u>
Expenses						
General government	46,248	48,503	-	-	46,248	48,503
Public safety	18,509	20,710	-	-	18,509	20,710
Sewer	-	-	52,307	56,137	52,307	56,137
Total expenses	<u>64,757</u>	<u>69,213</u>	<u>52,307</u>	<u>56,137</u>	<u>117,064</u>	<u>125,350</u>
Increases in net assets	<u>\$ 2,691</u>	<u>\$ (8,741)</u>	<u>\$ (28,474)</u>	<u>\$ (20,751)</u>	<u>\$ (25,783)</u>	<u>\$ (29,492)</u>

The Village's total revenues decreased by 5% (\$4,577) from 2003 to 2004. The total cost of all programs and services decreased 7% (\$8,286) from 2003 to 2004. Our analysis below separately considers the operations of the governmental and business-type activities.

Governmental Activities

Total revenues for the governmental activities decreased \$5,024 from total revenues in the year ended June 30, 2003 of \$72,472 to total revenues of \$67,448 in the year ended June 30, 2004.

The cost of all governmental activities for the years ended June 30, 2004 and 2003 were \$64,757 and \$69,213, respectively. These costs were covered by program revenues of \$7,789 in 2004 and \$12,812 in 2003, with the remaining costs covered by property taxes, franchise taxes, licenses and permits, and other general revenues.

Business-type Activities

Total revenues, excluding transfers, for the business-type activities were virtually unchanged from 2003 to 2004, increasing \$447 from total revenues in the year ended June 30, 2003 of \$23,386 to total revenues of \$23,833 in the year ended June 30, 2004.

The cost of all business-type activities for the years ended June 30, 2004 and 2003 were \$52,307 and \$56,137, respectively. These costs were covered by program revenues of \$23,536 in 2004 and \$22,559 in 2003, with the remaining costs covered by investment earnings and transfers from the general fund.

THE VILLAGE'S FUNDS

As the Village completed the year, its governmental funds (as presented in the balance sheet on page 13) reported a *combined* fund balance of \$127,566 at June 30, 2004, which is higher than the June 30, 2003 fund balance, of \$121,163. The primary reasons for the excess are expenses were less than revenues.

General Fund Budgetary Highlights

The Village adopted a budget for its General Fund for the years ended June 30, 2004 and 2003. There were three budget amendments for the year ended June 30, 2003 and one budget amendment for the year ended June 30, 2004. The Village's budgetary comparison is presented as required supplementary information and shown on pages 33-34. Highlights for the years ending June 30, 2004 and 2003 are as follows:

- For the year ended June 30, 2003, \$12,000 was budgeted and transferred to the Sewer Fund.

CAPITAL ASSETS

At the end of June 30, 2004 and 2003, the Village of Doyline had invested \$963,595 and \$1,005,411, respectively, in capital assets. (see table 3 below)

**Table 3
Capital Assets At Year End
(Net of Depreciation)**

	Governmental Activities		Business-type Activities		Total	
	2004	2003	2004	2003	2004	2003
Land	\$ 12,200	\$ 12,200	\$ --	\$ --	\$ 12,200	\$ 12,200
Buildings	54,316	54,316	--	--	54,316	54,316
Equipment	32,954	32,954	--	--	32,954	32,954
Sewer system	--	--	1,324,745	1,324,745	1,324,745	1,324,745
Total assets	<u>\$ 99,470</u>	<u>\$ 99,470</u>	<u>\$ 1,324,745</u>	<u>\$ 1,324,745</u>	<u>\$ 1,424,215</u>	<u>\$ 1,424,215</u>

This year's major additions included:

Sewer system equipment	\$ --	\$ --	\$ --	\$ 31,863	\$ --	\$ 31,863
Police car and radar system	--	1,900	--	--	--	1,900
Total	<u>\$ --</u>	<u>\$ 1,900</u>	<u>\$ --</u>	<u>\$ 31,863</u>	<u>\$ --</u>	<u>\$ 33,763</u>

More detailed information about the capital assets are presented in Note 6 to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

The Village of Doyline's management considered many factors when setting a fiscal year June 30, 2005 budget. Amounts available for appropriation in the governmental funds are expected to remain substantially the same as June 30, 2004.

Expenditures for 2005 are expected to remain substantially the same as June 30, 2004.

CONTACTING THE VILLAGE'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens and taxpayers with a general overview of the finances for those funds maintained by the Village of Doyline and to show the Village of Doyline's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Mayor at P.O. Box 626, Doyline, Louisiana, 71023.

Village of Doyline
Doyline, Louisiana
Statement of Net Assets
June 30, 2004

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Assets			
Cash and cash equivalents	\$ 128,614	\$ 34,725	\$ 163,339
Receivables		3,888	3,888
Prepaid Insurance	4,949		4,949
Capital assets, net	48,141	915,454	963,595
Total assets	<u>181,704</u>	<u>954,067</u>	<u>1,135,771</u>
Liabilities			
Accounts payable	1,048	418	1,466
Total liabilities	<u>1,048</u>	<u>418</u>	<u>1,466</u>
Net Assets			
Invested in capital assets	48,141	915,454	963,595
Unrestricted	132,515	38,195	170,710
Total net assets	<u>\$ 180,656</u>	<u>\$ 953,649</u>	<u>\$ 1,134,305</u>

See accompanying notes to the basic financial statements.

Village of Doyline
Doyline, Louisiana
Statement of Activities
For the Year Ended June 30, 2004

	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Functions / Programs:						
Governmental Activities						
General government	\$ 46,248	\$ 5,918	\$ 1,871	\$ (46,248)	\$	\$ (46,248)
Public safety	18,509			(10,720)		(10,720)
Total governmental activities	<u>64,757</u>	<u>5,918</u>	<u>1,871</u>	<u>(56,968)</u>		<u>(56,968)</u>
Business-type Activities						
Sewer	52,307	23,536			(28,771)	(28,771)
Total business-type activities	<u>52,307</u>	<u>23,536</u>			<u>(28,771)</u>	<u>(28,771)</u>
Total Government	<u>\$ 117,064</u>	<u>\$ 29,454</u>	<u>\$ 1,871</u>	<u>(56,968)</u>	<u>(28,771)</u>	<u>(85,739)</u>
General revenues:						
Ad valorem taxes				8,173		8,173
Franchise taxes				19,068		19,068
Licenses and permits				30,162		30,162
Investment earnings				524	297	821
Miscellaneous				1,732		1,732
				<u>59,659</u>	<u>297</u>	<u>59,956</u>
Change in net assets				2,691	(28,474)	(25,783)
Net assets - beginning				177,965	982,123	1,160,088
Net assets - ending				<u>\$ 180,656</u>	<u>\$ 953,649</u>	<u>\$ 1,134,305</u>

See accompanying notes to the basic financial statements.

Village of Doyline
Doyline, Louisiana
Statement of Net Assets
June 30, 2003

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Assets			
Cash and cash equivalents	\$ 122,239	\$ 26,346	\$ 148,585
Receivables		3,709	3,709
Prepaid Insurance	3,608		3,608
Capital assets, net	53,194	952,217	1,005,411
Total assets	<u>179,041</u>	<u>982,272</u>	<u>1,161,313</u>
Liabilities			
Accounts payable	1,076	149	1,225
Total liabilities	<u>1,076</u>	<u>149</u>	<u>1,225</u>
Net Assets			
Invested in capital assets	53,194	952,217	1,005,411
Unrestricted	124,771	29,906	154,677
Total net assets	<u>\$ 177,965</u>	<u>\$ 982,123</u>	<u>\$ 1,160,088</u>

See accompanying notes to the basic financial statements.

Village of Doyleline
Doyleline, Louisiana
Statement of Activities
For the Year Ended June 30, 2003

	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Functions / Programs:						
Governmental Activities						
General government	\$ 48,503	\$	\$	\$ (48,503)	\$	\$ (48,503)
Public safety	20,710	11,394	1,418	(7,898)		(7,898)
Total governmental activities	<u>69,213</u>	<u>11,394</u>	<u>1,418</u>	<u>(56,401)</u>		<u>(56,401)</u>
Business-type Activities						
Sewer	56,137	22,559			(33,578)	(33,578)
Total business-type activities	<u>56,137</u>	<u>22,559</u>			<u>(33,578)</u>	<u>(33,578)</u>
Total Government	<u>\$ 125,350</u>	<u>\$ 33,953</u>	<u>\$ 1,418</u>	<u>(56,401)</u>	<u>(33,578)</u>	<u>(89,979)</u>
General revenues:						
Ad valorem taxes				7,915		7,915
Franchise taxes				19,125		19,125
Licenses and permits				27,778		27,778
Investment earnings				859	827	1,686
Miscellaneous				3,983		3,983
Transfers				(12,000)	12,000	
				<u>47,660</u>	<u>12,827</u>	<u>60,487</u>
Change in net assets				(8,741)	(20,751)	(29,492)
Net assets - beginning				186,706	1,002,874	1,189,580
Net assets - ending				<u>\$ 177,965</u>	<u>\$ 982,123</u>	<u>\$ 1,160,088</u>

See accompanying notes to the basic financial statements.

Village of Doyline
 Doyline, Louisiana
 Balance Sheets
 Governmental Funds
 June 30, 2004 and 2003

	<u>2004</u> General	<u>2003</u> General
Assets		
Cash and cash equivalents	\$ 128,614	\$ 122,239
Total assets	<u>\$ 128,614</u>	<u>\$ 122,239</u>
Liabilities and Fund Balances		
Liabilities:		
Accounts payable	\$ 1,048	\$ 1,076
Total liabilities	<u>1,048</u>	<u>1,076</u>
Fund balances:		
Unreserved	127,566	121,163
Total fund balances	<u>127,566</u>	<u>121,163</u>
Total liabilities and fund balances	<u>\$ 128,614</u>	<u>\$ 122,239</u>

See accompanying notes to the basic financial statements.

Village of Doyline
Doyline, Louisiana
Reconciliation of the Balance Sheets of Governmental Funds
to the Statement of Net Assets
June 30, 2004 and 2003

	2004	2003
Fund balances - total governmental funds	\$ 127,566	\$ 121,163
<p>Amounts reported for governmental activities in the statement of net assets are different because:</p>		
<p>Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.</p>	48,141	53,194
<p>The nonallocation method of accounting for prepayments is used in the fund statements, since the prepayment does not provide expendable financial resources.</p>	4,949	3,608
Net assets of governmental activities	\$ 180,656	\$ 177,965

See accompanying notes to the basic financial statements.

Village of Doyline
Doyline, Louisiana
Statements of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Years Ended June 30, 2004 and 2003

	2004 General	2003 General
Revenues:		
Ad valorem taxes	\$ 8,173	\$ 7,915
Franchise taxes	19,068	19,125
Licenses and permits	30,162	27,778
Intergovernmental revenues	1,871	1,418
Fines and forfeitures	5,918	11,394
Investment earnings	524	859
Miscellaneous	1,732	3,983
Total revenues	67,448	72,472
Expenditures:		
Current:		
General government	43,065	44,448
Public safety	17,980	20,403
Capital outlay		1,900
Total expenditures	61,045	66,751
Excess (deficiency) of revenues over expenditures	6,403	5,721
Other financing sources (uses):		
Transfers in		
Transfers out		(12,000)
Total other financing sources (uses)		(12,000)
Excess of revenues and other sources over expenditures and other uses	6,403	(6,279)
Fund balances at beginning of year	121,163	127,442
Fund balances at end of year	\$ 127,566	\$ 121,163

See accompanying notes to the basic financial statements.

Village of Doyline
Doyline, Louisiana
Reconciliation of the Statements of Revenues, Expenditures, and Changes in
Fund Balances of Governmental Funds to the Statement of Activities
For the Years Ended June 30, 2004 and 2003

	2004	2003
Net change in fund balances - total governmental funds	\$ 6,403	\$ (6,279)
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>		
<p>Governmental 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 depreciation exceeded capital outlays in the current period.</p>	(5,053)	(2,931)
<p>The nonallocation method of accounting for prepayments is used in the fund statements, since the prepayment does not provide expendable financial resources.</p>	1,341	469
Change in net assets of governmental activities	\$ 2,691	\$ (8,741)

See accompanying notes to the basic financial statements.

Village of Doyline
Doyline, Louisiana
Balance Sheets
Proprietary Funds
June 30, 2004 and 2003

	Business-Type Activities - Enterprise Funds - Sewer	
	2004	2003
Assets		
Current assets:		
Cash and cash equivalents	\$ 34,725	\$ 26,346
Receivables	3,888	3,709
Total current assets	38,613	30,055
Noncurrent assets:		
Capital assets:		
Sewer system	1,324,745	1,324,745
Less: accumulated depreciation	(409,291)	(372,528)
Total noncurrent assets	915,454	952,217
Total assets	\$ 954,067	\$ 982,272
Liabilities		
Current liabilities:		
Accounts payable	\$ 418	\$ 149
Total current liabilities	418	149
Net assets		
Invested in capital assets	915,454	952,217
Unrestricted	38,195	29,906
Total net assets	953,649	982,123
Total liabilities and net assets	\$ 954,067	\$ 982,272

See accompanying notes to the basic financial statements.

Village of Doyline
Doyline, Louisiana
Statements of Revenues, Expenses, and Changes in Fund Net Assets
Proprietary Funds
For the Years Ended June 30, 2004 and 2003

	Business-Type Activities - Enterprise Funds - Sewer	
	2004	2003
Operating revenues:		
Charges for service -		
Sewerage service charges	\$ 23,303	\$ 22,539
Other charges and fees	233	20
Total operating revenues	23,536	22,559
Operating expenses:		
Depreciation	36,763	35,436
Collection fee	2,700	2,700
Utilities	2,817	2,104
Operator expenses	5,274	5,512
Repairs and maintenance		2,214
Miscellaneous	3,189	6,607
Testing - lab fees	1,564	1,564
Total operating expenses	52,307	56,137
Operating income (loss)	(28,771)	(33,578)
Non-operating revenues (expenses):		
Interest income	297	827
Total non-operating revenues (expenses)	297	827
Net income before contributions and transfers	(28,474)	(32,751)
Transfers In		12,000
Change in net assets	(28,474)	(20,751)
Net assets - beginning of year	982,123	1,002,874
Net assets - end of year	\$ 953,649	\$ 982,123

See accompanying notes to the basic financial statements.

Village of Doyline
Doyline, Louisiana
Statements of Cash Flows
Proprietary Funds
For the Years Ended June 30, 2004 and 2003

	2004	2003
Cash Flows From Operating Activities		
Receipts from customers	\$ 23,357	\$ 22,686
Cash payments to suppliers for goods and services	(7,350)	(8,599)
Cash payments to employees for services	(5,274)	(5,512)
Other receipts (payments)	(2,651)	(6,573)
Net Cash From Operating Activities	8,082	2,002
Cash Flows From Noncapital Financing Activities		
Transfers from other funds		12,000
Net Cash From Noncapital Financing Activities		12,000
Cash Flows From Capital and Related Financing Activities		
Acquisition/construction of capital assets		(31,864)
Net Cash From Capital and Related Financing Activities		(31,864)
Cash Flow From Investing Activities		
Interest income	297	828
Net Cash From Investing Activities	297	828
Net increase (decrease) in cash and cash equivalents	8,379	(17,034)
Cash, beginning of year	26,346	43,380
Cash, end of year	\$ 34,725	\$ 26,346
Reconciliation of Operating Loss to Net Cash Provided		
By/(Used In) Operating Activities		
Operating income (loss)	\$ (28,771)	\$ (33,578)
Adjustments to reconcile operating loss to net cash provided (used) by operating activities		
Depreciation expense	36,763	35,436
Accounts receivable	(179)	127
Accounts payable	269	17
Net Cash Flows From Operating Activities	\$ 8,082	\$ 2,002

See accompanying notes to the basic financial statements.

Village of Doyline
Doyline, Louisiana
Notes to Financial Statements
June 30, 2004 and 2003

INTRODUCTION

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

(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.

In June 1999, the Governmental Accounting Standards Board (GASB) unanimously approved Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*. Certain significant changes in the Statement include the following:

For the first time the financial statements include:

- A *Management Discussion and Analysis (MD&A)* section providing an analysis of the Village of Doyline's overall financial position and results of operations.
- *Financial statements prepared using full accrual accounting for all of the Village of Doyline's activities.*
- A change in the fund financial statements to focus on the major funds.

These and other changes are reflected in the accompanying financial statements (including notes to financial statements). The Village of Doyline has elected to implement the general provisions of the Statement in the current year.

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.

(Continued)

Village of Doyline
Doyline, Louisiana
Notes to Financial Statements
June 30, 2004 and 2003
(Continued)

GASB Statement No. 14, as amended by GASB Statement No. 39, 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 39 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.*
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.

(Continued)

Village of Doyline
Doyline, Louisiana
Notes to Financial Statements
June 30, 2004 and 2003
(Continued)

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 is classified as governmental activities. The Village's sewer services are classified as business-type activities.

In the government-wide Statement of Net Assets, 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 assets are reported in two parts – invested in capital assets and unrestricted net assets.

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 (property and franchise 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 (property, franchise 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 Financial Statements
June 30, 2004 and 2003
(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 funds 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.
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 of Doyline:
 - 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. The Village has no non-major funds. GASB Statement No. 34 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.

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

(Continued)

Village of Doyline
Doyline, Louisiana
Notes to Financial Statements
June 30, 2004 and 2003
(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. Budgets

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. There were three budget amendments for the year ended June 30, 2003. There was one budget amendment for the year ended June 30, 2004.
4. All budgetary appropriations lapse at the end of each fiscal year.
5. The budget for the General Fund is adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts in the accompanying statements are as originally adopted, or as amended by the Board of Alderman.

(Continued)

Village of Doyline
Doyline, Louisiana
Notes to Financial Statements
June 30, 2004 and 2003
(Continued)

F. 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.

G. Capital Assets

Capital assets purchased or acquired with an original cost of \$500 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market 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:

Land	N/A
Buildings	30-50 years
Equipment	5-12 years
Sewer systems	40 years
Sewer equipment	7-8 years

GASBS No. 34 requires the Village to report and depreciate new infrastructure assets effective with the beginning of the current year. Infrastructure assets include roads, bridges, traffic signals, etc. Neither their historical cost nor related depreciation has historically been reported in the financial statements. The retroactive reporting of infrastructure is not required. The Village has elected to implement the general provisions of GASBS No. 34 in the current year.

H. Revenues

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. 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.

(Continued)

Village of Doyline
Doyline, Louisiana
Notes to Financial Statements
June 30, 2004 and 2003
(Continued)

I. Net Assets

Net assets represent the difference between assets and liabilities. Net assets 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 assets are 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 assets are available.

J. Compensated Absences

The Village has no formal compensated absences policy. As of June 30, 2004 and 2003, employee leave benefits were determined to be immaterial and are therefore not recorded as a liability.

K. 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.

L. 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.

M. Bad Debts

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

(Continued)

Village of Doyline
Doyline, Louisiana
Notes to Financial Statements
June 30, 2004 and 2003
(Continued)

N. Capitalized Interest

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

O. Statement of Cash Flows

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

P. Postretirement Benefits

The Village provides no postretirement benefits to its employees.

(2) *Change in Accounting Principles and Restatement of Fund Equity*

A. Change in Accounting Principle

For the year ended June 30, 2003, the Village has implemented Governmental Accounting Standards Board (GASB) Statement No. 33, "Accounting and Financial Reporting for Nonexchange Transactions"; GASB Statement No. 34, "Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments"; GASB Statement No. 36, "Recipient Reporting for Certain Shared Nonexchange Revenues"; GASB Statement No. 37, "Basic Financial Statements and Management's Discussion Analysis for State and Local Governments: Omnibus"; GASB Statement No. 38, "Certain Financial Statement Note Disclosures"; and GASB Interpretation No. 6, "Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements".

(Continued)

Village of Doyline
Doyline, Louisiana
Notes to Financial Statements
June 30, 2004 and 2003
(Continued)

B. Restatement of Fund Equity

The restatement due to the implementation of the above statements and interpretation had the following effects on fund equity of the Governmental funds of the Village as previously reported.

	General Fund
Fund balance, June 30, 2002	\$ 127,442
GASB 34	
Adjustment to Net Assets-	
Prepaid insurance	3,140
Capital assets, net	56,124
Governmental Activities	
Net Assets, June 30, 2002	\$ 186,706

(3) Ad Valorem Taxes

The assessment for each of the years in the two-year period ended June 30, 2004 was 5.79 mills.

(4) Cash and Cash Equivalents

At June 30, 2004 and 2003, the Village has cash and cash equivalents (book balances) totaling \$163,339 and \$148,585, respectively.

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

At June 30, 2004, the Village has \$166,290 in deposits (collected bank balances). These deposits are secured from risk by \$148,134 of federal deposit insurance and \$18,156 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3). At June 30, 2003, the Village has \$153,326 in deposits (collected bank balances). These deposits are secured from risk by \$143,314 of federal deposit insurance and \$10,012 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

(Continued)

Village of Doyline
Doyline, Louisiana
Notes to Financial Statements
June 30, 2004 and 2003
(Continued)

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, R.S. 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified that the fiscal agent has failed to pay deposited funds upon demand.

(5) Receivables

Accounts receivables at June 30, 2004 and 2003 consist of sewer customer accounts receivable.

(6) Capital Assets

Capital asset activity for the year ended June 30, 2004, was as follows:

	<u>Balance at July 1, 2003</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at June 30, 2004</u>
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 12,200	\$ -	\$ -	\$ 12,200
Capital assets, being depreciated:				
Buildings	54,316	-	-	54,316
Equipment	32,954	-	-	32,954
Total capital assets, being depreciated, at historical cost	<u>87,270</u>	<u>-</u>	<u>-</u>	<u>87,270</u>
Less accumulated depreciation:				
Buildings	(34,467)	(1,420)	-	(35,887)
Equipment	(11,809)	(3,633)	-	(15,442)
Total accumulated depreciation	<u>(46,276)</u>	<u>(5,053)</u>	<u>-</u>	<u>(51,329)</u>
Total capital assets, being depreciated, net	<u>40,994</u>	<u>(5,053)</u>	<u>-</u>	<u>35,941</u>
Governmental activities capital assets, net	<u>\$ 53,194</u>	<u>\$ (5,053)</u>	<u>\$ -</u>	<u>\$ 48,141</u>

(Continued)

Village of Doyline
Doyline, Louisiana
Notes to Financial Statements
June 30, 2004 and 2003
(Continued)

	<u>Balance at July 1, 2003</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at June 30, 2004</u>
Business-Type Activities:				
Capital assets, being depreciated:				
Sewer system	\$ 1,286,477	\$ -	\$ -	\$ 1,286,477
Sewer equipment	<u>38,268</u>	<u>-</u>	<u>-</u>	<u>38,268</u>
Total capital assets, being depreciated, at historical cost	<u>1,324,745</u>	<u>-</u>	<u>-</u>	<u>1,324,745</u>
Less accumulated depreciation:				
Sewer system	(365,683)	(32,162)	-	(397,845)
Sewer equipment	<u>(6,845)</u>	<u>(4,601)</u>	<u>-</u>	<u>(11,446)</u>
Total accumulated depreciation	<u>(372,528)</u>	<u>(36,763)</u>	<u>-</u>	<u>(409,291)</u>
 Total capital assets, being depreciated, net	 <u>952,217</u>	 <u>(36,763)</u>	 <u>-</u>	 <u>915,454</u>
 Business-type activities capital assets, net	 <u>\$ 952,217</u>	 <u>\$(36,763)</u>	 <u>\$ -</u>	 <u>\$ 915,454</u>

Depreciation expense for the year ended June 30, 2004 was charged to Governmental and Business-type Activities as follows:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
General government	\$ 4,524	\$ -	\$ 4,524
Public safety	529	-	529
Sewer	<u>-</u>	<u>36,763</u>	<u>36,763</u>
Total	<u>\$ 5,053</u>	<u>\$ 36,763</u>	<u>\$ 41,816</u>

(Continued)

Village of Doyline
Doyline, Louisiana
Notes to Financial Statements
June 30, 2004 and 2003
(Continued)

Capital asset activity for the year ended June 30, 2003, was as follows:

	<u>Balance at July 1, 2002</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at June 30, 2003</u>
<u>Governmental Activities:</u>				
Capital assets, not being depreciated:				
Land	\$ 12,200	\$ -	\$ -	\$ 12,200
Capital assets, being depreciated:				
Buildings	54,316	-	-	54,316
Equipment	<u>31,054</u>	<u>1,900</u>	<u>-</u>	<u>32,954</u>
Total capital assets, being depreciated, at historical cost	<u>85,370</u>	<u>1,900</u>	<u>-</u>	<u>87,270</u>
Less accumulated depreciation:				
Buildings	(33,047)	(1,420)	-	(34,467)
Equipment	<u>(8,398)</u>	<u>(3,411)</u>	<u>-</u>	<u>(11,809)</u>
Total accumulated depreciation	<u>(41,445)</u>	<u>(4,831)</u>	<u>-</u>	<u>(46,276)</u>
 Total capital assets, being depreciated, net	 <u>43,925</u>	 <u>(2,931)</u>	 <u>-</u>	 <u>40,994</u>
 Governmental activities capital assets, net	 <u>\$ 56,125</u>	 <u>\$(2,931)</u>	 <u>\$ -</u>	 <u>\$ 53,194</u>
<u>Business-Type Activities:</u>				
Capital assets, being depreciated:				
Sewer system	\$ 1,286,477	\$ -	\$ -	\$ 1,286,477
Sewer equipment	<u>6,404</u>	<u>31,864</u>	<u>-</u>	<u>38,268</u>
Total capital assets, being depreciated, at historical cost	<u>1,292,881</u>	<u>31,864</u>	<u>-</u>	<u>1,324,745</u>
Less accumulated depreciation:				
Sewer system	(333,521)	(32,162)	-	(365,683)
Sewer equipment	<u>(3,571)</u>	<u>(3,274)</u>	<u>-</u>	<u>(6,845)</u>
Total accumulated depreciation	<u>(337,092)</u>	<u>(35,436)</u>	<u>-</u>	<u>(372,528)</u>
 Total capital assets, being depreciated, net	 <u>955,789</u>	 <u>(3,572)</u>	 <u>-</u>	 <u>952,217</u>
 Business-type activities capital assets, net	 <u>\$ 955,789</u>	 <u>\$(3,572)</u>	 <u>\$ -</u>	 <u>\$ 952,217</u>

(Continued)

Village of Doyline
Doyline, Louisiana
Notes to Financial Statements
June 30, 2004 and 2003
(Continued)

Depreciation expense for the year ended June 30, 2003 was charged to Governmental and Business-type Activities as follows:

	Governmental Activities	Business-type Activities	Total
General government	\$ 4,524	\$ -	\$ 4,524
Public safety	307	-	307
Sewer	-	35,436	35,436
Total	\$ 4,831	\$ 35,436	\$ 40,267

No prior accumulated depreciation was calculated on capital assets disposed of as of July 1, 2002, for purposes of GASB 34 conversion.

(7) Interfund Transfers

Interfund transfers for the year ended June 30, 2003 consisted of transfers from the general fund to the sewer fund in the amount of \$12,000 to assist in the purchase of fixed assets.

(8) Risk Management

The Village purchases commercial insurance to provide workers compensation coverage and general liability and property insurance. There were no significant reductions in insurance coverage from the previous year.

Village of Doyline
 Doyline, Louisiana
 Required Supplementary Information
 Budgetary Comparison Schedule
 General Fund
 For the Year Ended June 30, 2004

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Ad valorem taxes	\$ 6,400	\$ 7,800	\$ 8,173	\$ 373
Franchise taxes	16,000	19,000	19,068	68
Licenses and permits	18,000	30,000	30,162	162
Intergovernmental revenues			1,871	1,871
Fines and forfeitures	2,000	6,000	5,918	(82)
Investment earnings			524	524
Miscellaneous	1,060	1,560	1,732	172
Total revenues	43,460	64,360	67,448	3,088
Expenditures:				
Current:				
General government	43,596	40,641	43,065	(2,424)
Public safety	19,665	17,932	17,980	(48)
Capital outlay	6,000	6,000		6,000
Total expenditures	69,261	64,573	61,045	3,528
Excess (deficiency) of revenues over expenditures	(25,801)	(213)	6,403	6,616
Fund balances at beginning of year	78,056	78,056	121,163	43,107
Fund balances at end of year	\$ 52,255	\$ 77,843	\$ 127,566	\$ 49,723

Village of Doyline
 Doyline, Louisiana
 Required Supplementary Information
 Budgetary Comparison Schedule
 General Fund
 For the Year Ended June 30, 2003

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Ad valorem taxes	\$ 6,400	\$ 7,400	\$ 7,915	\$ 515
Franchise taxes	16,000	20,000	19,125	(875)
Licenses and permits	18,000	28,000	27,778	(222)
Intergovernmental revenues			1,418	1,418
Fines and forfeitures	2,000	11,000	11,394	394
Investment earnings			859	859
Miscellaneous	1,060	4,060	3,983	(77)
Total revenues	<u>43,460</u>	<u>70,460</u>	<u>72,472</u>	<u>2,012</u>
Expenditures:				
Current:				
General government	40,124	41,755	44,448	(2,693)
Public safety	19,165	19,165	20,403	(1,238)
Capital outlay	6,000	6,000	1,900	4,100
Total expenditures	<u>65,289</u>	<u>66,920</u>	<u>66,751</u>	<u>169</u>
Excess (deficiency) of revenues over expenditures	<u>(21,829)</u>	<u>3,540</u>	<u>5,721</u>	<u>2,181</u>
Other financing sources (uses):				
Transfers out	(12,000)	(12,000)	(12,000)	
Total other financing sources (uses)	<u>(12,000)</u>	<u>(12,000)</u>	<u>(12,000)</u>	
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>(33,829)</u>	<u>(8,460)</u>	<u>(6,279)</u>	<u>2,181</u>
Fund balances at beginning of year	82,468	82,468	127,442	44,974
Fund balances at end of year	<u>\$ 48,639</u>	<u>\$ 74,008</u>	<u>\$ 121,163</u>	<u>\$ 47,155</u>

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

Village of Doyline
Doyline, Louisiana

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the Village of Doyline, as of and for the years ended June 30, 2004 and 2003, and have issued our report thereon dated December 17, 2004. 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.

Compliance

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

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Village of Doyline's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting which we have reported to the management of the Village of Doyline in a separate management letter dated December 17, 2004.

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

A handwritten signature in black ink, appearing to read "Cook & Morehart", with a long horizontal flourish extending to the right.

Cook & Morehart
Certified Public Accountants
December 17, 2004

Village of Doyline
Doyline, Louisiana
Summary Schedule of Prior Year Audit Findings
Schedule For Louisiana Legislative Auditor
June 30, 2004 and 2003

There were no findings or management letter comments in the prior audit for the two-year period ended June 30, 2002.

Corrective Action Plan For Current Year Audit Findings
Schedule For Louisiana Legislative Auditor
June 30, 2004 and 2003

There are no findings or questioned costs for the current year audit for the two-year period ended June 30, 2004. There are two management letter comments for current year audit for the two-year period ended June 30, 2004. Management's response to those comments is as follows:

Comment #1: Cash Collections

The Town Clerk will utilize pre-numbered receipt tickets upon receiving cash payments which the Mayor will review on a random basis.

Comment #2: Police Ticket Monitoring

The Town Clerk will monitor all police tickets issued and their disposition. The Mayor will review the log book on a random basis.

COOK & MOREHART

Certified Public Accountants

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Management Letter

December 17, 2004

Village of Doyline
Doyline, Louisiana

We have audited the financial statements of Village of Doyline, for the years ended June 30, 2004 and 2003, and have issued our report thereon dated December 17, 2004. In planning and performing our audit of the financial statements of Village of Doyline, we considered its internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting.

During our audit the following items were noted involving internal control over financial reporting and other operational matters which appear to merit your attention for consideration to improve the internal control over financial reporting or operations of Village of Doyline.

Comment #1: Cash Collections

During our audit it was noted that the Town Clerk did not utilize pre-numbered receipt tickets upon receiving cash payments.

We recommend that the Town Clerk utilize pre-numbered receipt tickets for all cash payments received.

We also recommend that the Mayor review those receipts to the deposit slips on a random basis through out each month.


Comment #2: Police Ticket Monitoring

During our audit we noted that monitoring of police tickets issued and their disposition were not always noted in the log kept by the Town Clerk.

We recommend that the Town Clerk account for all police ticket numbers issued and their disposition. The Mayor should review the police ticket log book periodically and randomly test the collection tickets.

We also recommend that the Mayor be the only person authorized to void police tickets.

We express sincere thanks to the Village of Doyline personnel for the *cooperation and assistance provided us during* our audit. We are available to provide you assistance and consultation in the implementation of the above mentioned items. This letter is furnished solely for the use of management and is not intended to be used for any other purpose.

A handwritten signature in cursive script, appearing to read "Cook & Morehart", with a long horizontal flourish extending to the right.

Cook & Morehart
Certified Public Accountants