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TOWN OF YOUNGSVILLE, LOUISIANA

Financial Report

Year Ended June 30, 1996

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Release Date 9-18-96

THIS COPY IS FOR THE
LEGISLATIVE AUDITOR
Baton Rouge, Louisiana

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The Honorable Lucas Denais, Mayor
and Members of the Board of Aldermen
Town of Youngsville, Louisiana

We have audited the accompanying general purpose financial statements of the Town of Youngsville, Louisiana, as of June 30, 1996, and for the year then ended. These general purpose financial statements are the responsibility of the Town'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, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Town of Youngsville, Louisiana, as of June 30, 1996, and the results of its operations and cash flows of its proprietary fund type for the year then ended in conformity with generally accepted accounting principles.

Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The accompanying financial information listed as "Supplemental Information" in the table of contents is presented for purposes of additional analysis and is not a required part of the general purpose financial statements of the Town of Youngsville, Louisiana. Such information, except for that portion marked "unaudited" on which we express no opinion, has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to such general purpose financial statements taken as a whole.

In accordance with Government Auditing Standards, we have also issued a report dated July 21, 1996 on our consideration of Town of Youngsville's internal control structure and a report dated July 19, 1996 on its compliance with laws and regulations.

The financial information for the preceding year which is included for comparative purposes was taken from the financial report for that year in which we expressed an unqualified opinion on the general purpose financial statements of the Town of Youngsville, Louisiana.

Darnall, Sikes, Kolder, Frederick & Rainey

A Corporation of Certified Public Accountants

Lafayette, Louisiana
July 19, 1996

**GENERAL PURPOSE FINANCIAL STATEMENTS
(COMBINED STATEMENTS - OVERVIEW)**

TOWN OF YOUNGSVILLE, LOUISIANA

Combined Balance Sheet - All Fund Types and Account Groups
June 30, 1996

	Governmental Fund Types			Proprietary Fund Type		Fiduciary Fund Type		Account Groups		Totals	
	General	Special Revenue	Debt Service	Capital Projects	Enterprise	Agency	General	Fixed Assets	Long-Term Debt	(Memorandum Only)	
										1996	1995
ASSETS AND OTHER DEBITS											
Cash	\$129,795	\$ 71,971	\$ -	\$ -	\$ 79,664	\$ 9,995	\$ -	\$ -	\$ -	\$ 291,425	\$ 174,001
Interest-bearing deposits, at cost	132,162	50,000	-	-	215,966	-	-	-	-	398,128	296,851
Receivables:											
Taxes	719	24,434	-	-	-	-	-	-	-	25,153	21,781
Accounts receivable	-	-	-	-	32,115	-	-	-	-	32,115	26,898
Unbilled utility receivables	-	-	-	-	15,387	-	-	-	-	15,387	13,243
Due from other funds	14,890	500	-	-	22,139	20,939	-	-	-	58,468	52,812
Due from other governments	-	-	-	-	-	-	-	-	-	-	12,726
Other	501	240	-	-	3,636	-	-	-	-	4,377	485
Restricted assets:											
Cash	-	-	-	-	20,114	-	-	-	-	20,114	12,872
Interest-bearing deposits, at cost	-	-	-	-	93,496	-	-	-	-	93,496	193,397
Land	-	-	-	-	-	-	-	4,111	-	4,111	4,111
Buildings	-	-	-	-	-	-	-	269,785	-	269,785	269,785
Improvements other than buildings	-	-	-	-	-	-	-	143,535	-	143,535	143,535
Equipment	-	-	-	-	-	-	-	216,932	-	216,932	152,022
Utility property, plant and equipment	-	-	-	-	2,897,890	-	-	-	-	2,897,890	2,776,073
Accumulated depreciation	-	-	-	-	(1,225,627)	-	-	-	-	(1,225,627)	(1,186,534)
Total assets and other debits	\$278,067	\$147,145	\$ -	\$ -	\$ 2,154,780	\$30,934	\$ -	\$634,363	\$ -	\$ 3,245,289	\$ 2,964,058

(continued)

TOWN OF YOUNGSVILLE, LOUISIANA

Combined Statement of Revenues, Expenditures, and Changes in Fund Balances -
All Governmental Fund Types
Year Ended June 30, 1996

	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Totals (Memorandum Only)</u>	
					<u>1996</u>	<u>1995</u>
Revenues:						
Taxes	\$215,845	\$128,062	\$ -	\$ -	\$ 343,907	\$ 296,876
Licenses and permits	87,161	-	-	-	87,161	72,807
Intergovernmental	27,959	-	-	-	27,959	184,835
Fines and forfeits	107,356	-	-	-	107,356	45,701
Miscellaneous	4,512	572	-	2,576	7,659	4,231
Total revenues	<u>442,832</u>	<u>128,634</u>	<u>-</u>	<u>2,576</u>	<u>574,042</u>	<u>604,450</u>
Expenditures:						
Current -						
General government	132,020	2,980	-	-	135,000	106,178
Public safety:						
Police	149,405	-	-	-	149,405	93,890
Fire	4,200	-	-	-	4,200	14,200
Streets and drainage	51,542	-	-	-	51,542	47,937
Capital outlay	64,910	-	-	-	64,910	200,440
Debt service -						
Principal retirement	-	-	-	-	-	6,000
Interest	-	-	-	-	-	400
Total expenditures	<u>402,077</u>	<u>2,980</u>	<u>-</u>	<u>-</u>	<u>405,057</u>	<u>469,045</u>
Excess of revenues over expenditures	<u>40,756</u>	<u>125,654</u>	<u>-</u>	<u>2,576</u>	<u>168,985</u>	<u>135,405</u>
Other financing sources (uses):						
Operating transfers in	31,500	-	-	-	31,500	152,617
Operating transfers out	(22,425)	(44,664)	-	(104,780)	(171,869)	(109,651)
Total other financing sources (uses)	<u>9,075</u>	<u>(44,664)</u>	<u>-</u>	<u>(104,780)</u>	<u>140,369</u>	<u>42,966</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	49,831	80,990	-	(102,204)	28,617	178,371
Fund balances, beginning	<u>191,588</u>	<u>56,725</u>	<u>-</u>	<u>102,204</u>	<u>350,517</u>	<u>172,146</u>
Fund balances, ending	<u>\$241,419</u> =====	<u>\$137,715</u> =====	<u>\$ -</u> =====	<u>\$ -</u> =====	<u>\$ 379,134</u> =====	<u>\$ 350,517</u> =====

The accompanying notes are an integral part of this statement.

TOWN OF YOUNGSVILLE, LOUISIANA

Combined Statement of Revenues, Expenditures, and Changes in Fund Balances -
Budget (GAAP Basis) and Actual -
All Governmental Fund Types
Year Ended June 30, 1996

	General Fund		
	Budget	Actual	Variance - Favorable (Unfavorable)
Revenues:			
Taxes	\$210,296	\$215,845	\$ 5,549
Licenses and permits	77,620	87,161	9,541
Intergovernmental	26,093	27,959	1,866
Fines and forfeits	110,800	107,356	(3,444)
Miscellaneous	3,650	4,512	862
Total revenues	<u>428,459</u>	<u>442,833</u>	<u>14,374</u>
Expenditures:			
Current -			
General government	132,372	132,020	352
Public safety:			
Police	154,722	149,405	5,317
Fire	4,200	4,200	-
Streets and drainage	43,950	51,542	(7,592)
Capital outlay	68,762	64,910	3,852
Debt service -			
Principal retirement	-	-	-
Interest	-	-	-
Total expenditures	<u>404,006</u>	<u>402,077</u>	<u>1,929</u>
Excess of revenues over expenditures	24,253	40,756	16,303
Other financing sources (uses):			
Operating transfers in	31,500	31,500	-
Operating transfers out	-	(22,425)	22,425
Total other financing sources (uses)	<u>31,500</u>	<u>9,075</u>	<u>22,425</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	55,953	49,831	(6,122)
Fund balances, beginning	-	191,588	191,588
Fund balances, ending	\$ 55,953	\$241,419	\$185,466
	*****	*****	*****

The accompanying notes are an integral part of this statement.

Special Revenue Fund			Debt Service Fund			Capital Projects Fund		
Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)
\$123,282	\$128,062	\$4,780	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
.
.
325	572	247	-	-	-	576	2,576	2,000
<u>123,607</u>	<u>128,634</u>	<u>5,027</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>576</u>	<u>2,576</u>	<u>2,000</u>
3,155	2,980	175
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<u>3,155</u>	<u>2,980</u>	<u>175</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>120,452</u>	<u>125,654</u>	<u>5,202</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>576</u>	<u>2,576</u>	<u>2,000</u>
.
<u>(44,664)</u>	<u>44,664</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(102,780)</u>	<u>(104,780)</u>	<u>(2,000)</u>
<u>(44,664)</u>	<u>44,664</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(102,780)</u>	<u>(104,780)</u>	<u>(2,000)</u>
75,788	80,990	5,202	.	.	.	(102,204)	(102,204)	.
<u>56,725</u>	<u>56,725</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>102,204</u>	<u>102,204</u>	<u>-</u>
<u>\$132,513</u>	<u>\$137,715</u>	<u>\$5,202</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
=====	=====	=====	=====	=====	=====	=====	=====	=====

TOWN OF YOUNGSVILLE, LOUISIANA

Comparative Statement of Revenues, Expenses, and Changes in Retained Earnings -
 Proprietary Fund Type
 Years Ended June 30, 1996 and 1995

	<u>1996</u>	<u>1995</u>
Operating revenues:		
Charges for services -		
Water sales	\$ 154,528	\$ 140,971
Sewer service charges	113,549	104,063
Sanitation charges	69,682	53,094
Miscellaneous	<u>29,250</u>	<u>23,698</u>
Total operating revenues	<u>367,009</u>	<u>321,826</u>
Operating expenses:		
Water department	100,306	85,576
Sewerage department	78,752	78,272
Sanitation department	61,993	48,618
Depreciation	<u>61,239</u>	<u>60,879</u>
Total operating expenses	<u>302,290</u>	<u>273,345</u>
Operating income	<u>64,719</u>	<u>48,481</u>
Nonoperating revenues (expenses):		
Bad debts recovered	44	75
Interest income	10,263	5,435
Interest expense	(30,588)	(31,373)
Paying agent fees	(854)	(1,053)
Amortization - bond issue cost	<u>(350)</u>	<u>(350)</u>
Total nonoperating expenses	<u>(21,485)</u>	<u>(27,266)</u>
Income before operating transfers	<u>43,234</u>	<u>21,215</u>
Operating transfers in (out):		
Operating transfers in	140,369	33,579
Operating transfers out	<u>-</u>	<u>(76,545)</u>
Total operating transfers	<u>140,369</u>	<u>(42,966)</u>
Net income (loss)	183,603	(21,751)
Add: Depreciation on fixed assets acquired with federal grant revenues externally restricted for capital acquisitions and construction that reduces contributed capital	<u>33,119</u>	<u>33,118</u>
Increase in retained earnings	216,722	11,367
Retained earnings, beginning	<u>41,727</u>	<u>30,360</u>
Retained earnings, ending	<u>\$ 258,449</u>	<u>\$ 41,727</u>

The accompanying notes are an integral part of this statement.

TOWN OF YOUNGSVILLE, LOUISIANA

Comparative Statement of Cash Flows - Proprietary Fund Type
Years Ended June 30, 1996 and 1995

	<u>1996</u>	<u>1995</u>
Cash flows from operating activities:		
Operating income	\$ <u>64,719</u>	\$ <u>48,481</u>
Adjustments to reconcile net income to net cash provided by operating activities -		
Depreciation	61,239	60,879
Changes in current assets and liabilities:		
Increase in accounts receivable	(5,217)	(2,975)
Increase in due from other funds	(2,342)	(4,429)
Increase in unbilled utility receivables	(2,144)	(1,476)
Increase (decrease) in accounts payable	10,551	(5,095)
Decrease in due to other funds	(2,410)	(125)
Increase in other accrued liabilities	<u>89</u>	<u>50</u>
Total adjustments	<u>59,766</u>	<u>46,829</u>
Net cash provided by operating activities	<u>124,485</u>	<u>95,310</u>
Cash flows from noncapital financing activities:		
Operating transfers in from other funds	140,369	33,579
Operating transfers out to other funds	-	(76,545)
Bad debt recoveries	<u>44</u>	<u>75</u>
Net cash provided (used) by noncapital financing activities	<u>140,413</u>	<u>(42,891)</u>
Cash flows from capital and related financing activities:		
Interest paid on revenue bonds	(30,715)	(31,500)
Principal paid on revenue bonds	(13,000)	(13,000)
Paying agent fees	(854)	(1,053)
Acquisition of property, plant and equipment	(143,963)	(7,510)
Net proceeds from customer deposits	<u>3,160</u>	<u>1,610</u>
Net cash provided (used) by capital and related financing activities	<u>(185,372)</u>	<u>(51,453)</u>
Cash flows from investing activities:		
Net (increase) decrease in interest-bearing deposits	(130,339)	13,843
Interest received on interest-bearing deposits	<u>6,848</u>	<u>5,889</u>
Net cash provided (used) by investing activities	<u>(123,491)</u>	<u>19,732</u>

(continued)

TOWN OF YOUNGSVILLE, LOUISIANA

Comparative Statement of Cash Flows - Proprietary Fund Type (Continued)
 Years Ended June 30, 1996 and 1995

	<u>1996</u>	<u>1995</u>
Net increase (decrease) in cash and cash equivalents	(43,965)	20,698
Cash and cash equivalents, beginning of period	<u>310,067</u>	<u>289,369</u>
Cash and cash equivalents, end of period	<u>\$ 266,102</u>	<u>\$ 310,067</u>
Reconciliation of cash and cash equivalents per statement of cash flows to the balance sheet:		
Cash and cash equivalents, beginning of period -		
Cash - unrestricted	\$ 20	\$ 20
Cash - restricted	12,872	24,853
Interest-bearing deposits - unrestricted	116,577	94,690
Interest-bearing deposits - restricted	193,397	196,448
Less: Certificates of deposits with a maturity over three months	<u>(12,799)</u>	<u>(26,642)</u>
Total cash and cash equivalents	<u>310,067</u>	<u>289,369</u>
Cash and cash equivalents, end of period -		
Cash - unrestricted	79,664	20
Cash - restricted	20,114	12,872
Interest-bearing deposits - unrestricted	215,966	116,577
Interest-bearing deposits - restricted	93,496	193,397
Less: Certificates of deposits with a maturity over three months	<u>(143,138)</u>	<u>(12,799)</u>
Total cash and cash equivalents	<u>266,102</u>	<u>310,067</u>
Net increase (decrease)	<u>\$ (43,965)</u>	<u>\$ 20,698</u>

The accompanying notes are an integral part of this statement.

TOWN OF YOUNGSVILLE, LOUISIANA

Notes to Financial Statements

(1) Summary of Significant Accounting Policies

The Town of Youngsville was incorporated under the provisions of the Lawrason Act. The Town operates under the Mayor-Board of Aldermen form of government.

The accounting and reporting policies of the Town of Youngsville conform to generally accepted accounting principles as applicable to governments. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 24:517 and to the industry audit guide, Audits of State and Local Governmental Units.

The following is a summary of certain significant accounting policies:

A. Financial Reporting Entity

This report includes all funds and account groups which are controlled by or dependent on the Town executive and legislative branches (the Mayor and Board of Aldermen). Control by or dependence on the Town was determined on the basis of budget adoption, taxing authority, authority to issue debt, election or appointment of governing body, and other general oversight responsibility.

Based on the foregoing criteria, certain governmental organizations are not part of the Town and are thus excluded from the accompanying financial statements. These organizations are the Youngsville Volunteer Fire Department, the Youngsville Auxiliary Police Department, and the Youngsville Housing Authority. Although the Town does provide facilities and some of their financing, no control is exercised over their operations.

B. Fund Accounting

The accounts of the Town are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures, or expenses and retained earnings, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds and account groups are grouped, in the financial statements in this report, into seven generic fund and account group types and four broad categories as follows:

TOWN OF YOUNGSVILLE, LOUISIANA

Notes to Financial Statements (Continued)

Governmental Funds -

General Fund

The General Fund is the general operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in another fund.

Special revenue funds

Special revenue funds are used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specific purposes.

Debt service funds

Debt service funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

Proprietary Fund -

Enterprise fund

Enterprise funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - 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. The Town of Youngsville's enterprise fund is the Utility Fund.

Fiduciary Fund -

Agency Fund

The agency fund is custodial in nature (assets equal liabilities) and does not involve measurement of results of operations, but is used to account for assets held for other funds.

TOWN OF YOUNGSVILLE, LOUISIANA

Notes to Financial Statements (Continued)

Account Groups -

General Fixed Assets Account Group

This is not a fund but rather an account group that is used to account for general fixed assets acquired principally for general purposes and excludes fixed assets in the Enterprise Fund.

General Long-Term Debt Account Group

This is not a fund but rather an account group that is used to account for the outstanding principal balances of general obligation bonds and other long-term debt not reported in proprietary funds.

C. Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

All governmental funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Sales taxes are considered "measurable" when in the hands of intermediary collecting governments and are recognized as revenue at that time. Ad valorem taxes are recognized as revenue in the year in which they are billed. Fees and nontax revenues are recognized when received. Grants from other governments are recognized when qualifying expenditures are incurred.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred, except that accumulated unpaid vacation and sick pay are not accrued and principal and interest on general long-term debt are recognized when due. Purchases of various operating supplies are regarded as expenditures at the time purchased.

The proprietary fund is accounted for using the accrual basis of accounting whereby revenues are recognized when they are earned and expenses are recognized when incurred. Unbilled utility service receivables resulting from utility services rendered between the date of meter reading and billing and the end of the month, are recorded at year end.

TOWN OF YOUNGSVILLE, LOUISIANA

Notes to Financial Statements (Continued)

D. Budget and Budgetary Accounting

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

1. Prior to June 15, the Town Clerk submits to the Mayor and Board of Aldermen a proposed operating budget for the fiscal year commencing the following July 1.
2. A summary of the proposed budget is published and the public notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
3. A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing.
4. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted through passage of a resolution prior to the commencement of the fiscal year for which the budget is being adopted.
5. 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 Aldermen.
6. All budgetary appropriations lapse at the end of each fiscal year.
7. Budgets for all funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted or as amended by the Board of Aldermen. Such amendments were not material in relation to the original appropriations.

E. Interest-Bearing Deposits

Interest-bearing deposits are stated at cost, which approximates market.

F. Statement of Cash Flows

For purposes of the statement of cash flows, the Enterprise Fund considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

TOWN OF YOUNGSVILLE, LOUISIANA

Notes to Financial Statements (Continued)

G. Due to and Due from Other Funds

Interfund receivables and payables arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed.

H. Restricted Assets

The Utility Fund, based on certain bond covenants, is required to establish and maintain prescribed amounts of resources (consisting of cash and temporary investments) that can be used to service outstanding debt.

I. Fixed Assets and Long-Term Liabilities

The accounting and reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by its measurement focus.

All governmental fund type operations are accounted for on a spending or "financial flow" measurement focus and only current assets and current liabilities are generally included on their balance sheets.

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group and are recorded as expenditures in the governmental fund types when purchased. The Town has elected to capitalize public domain ("infrastructure") fixed assets consisting of certain improvements other than buildings, including roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, and lighting systems. No depreciation has been provided on general fixed assets.

All fixed assets are stated at historical cost or estimated historical cost if actual historical cost is not available. Donated fixed assets are stated at their estimated fair value on the date donated. Estimated amounts are immaterial in relation to total fixed assets.

Long-term liabilities expected to be financed from governmental funds are accounted for in the General Long-Term Debt Account Group.

All proprietary funds are accounted for on a cost of services or "capital maintenance" measurement focus, and all assets and all liabilities (whether current or noncurrent) associated with their activity are included on their balance sheets.

TOWN OF YOUNGSVILLE, LOUISIANA

Notes to Financial Statements (Continued)

Depreciation of all exhaustible fixed assets used by proprietary funds is charged as an expense against their operations. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Utility System and Improvements	20 - 40 years
Equipment	3 - 10 years

J. Bad Debts

Uncollectible amounts due for ad valorem taxes and customers' utility receivables are recognized as bad debts at the time information becomes available which would indicate the uncollectibility of the particular receivable. Although the specific charge-off method is not in conformity with generally accepted accounting principles (GAAP), no allowance for uncollectible receivables is recorded due to immateriality at June 30, 1996.

K. Capitalization of Interest Expense

It is the policy of the Town of Youngsville to capitalize material amounts of interest resulting from borrowings in the course of the construction of fixed assets. At June 30, 1996, there were no assets under construction which required capitalized interest expense to be recorded on the books.

L. Amortization of Water Revenue Bond Expense

The costs of issuance of the water revenue bonds in the proprietary fund are being amortized, on the straight-line method, over the life of the certificates.

M. Vacation and Sick Leave

Vacation and sick leave are recorded as expenditures of the period in which paid. Vacation must be taken in the year accrued and cannot be carried over. Sick leave is accumulated by employees at a rate dependent upon number of years of employment. Although sick leave is available for employees when needed, it does not vest nor is it payable at termination of employment. Therefore, no liability has been recorded in the accounts as of June 30, 1996.

TOWN OF YOUNGSVILLE, LOUISIANA

Notes to Financial Statements (Continued)

N. Comparative Data

Comparative total data for the prior year have been presented in the accompanying financial statements in order to provide an understanding of changes in the Town's financial position and operations. However, comparative (i.e., presentation of prior year totals by fund type) data have not been presented in each of the statements since their inclusion would make the statements unduly complex and difficult to read.

O. Total Columns on Combined Statements - Overview

Total columns on the Combined Statements - Overview are captioned Memorandum Only to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or cash flows 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.

P. Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed by the Town as an extension of formal budgetary integration in the funds.

Q. Adoption of GASB Statement #27

During the year ended June 30, 1996, the Town of Youngsville adopted GASB Statement #27, Accounting for Pensions by State and Local Government Employers. Although this statement is effective for periods beginning June 15, 1997, the Governmental Accounting Standards Board is encouraging early implementation.

(2) Cash and Interest-Bearing Deposits

Under state law, the Town may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The Town may invest in certificates and time deposits of the state banks organized under Louisiana

TOWN OF YOUNGSVILLE, LOUISIANA

Notes to Financial Statements (Continued)

law and national banks having principal offices in Louisiana. At June 30, 1996, the Town had cash and interest-bearing deposits (book balances) totaling \$803,164 as follows:

Demand deposits	\$311,539
Money market accounts	81,554
Time deposits	<u>410,070</u>
 Total	 \$803,163 <u>=====</u>

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 bank. 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. Deposit balances (bank balances) at June 30, 1996 were secured as follows:

Bank balances	\$ 802,276 <u>=====</u>
Securities pledged (Category 3)	\$ 985,562
Federal deposit insurance	<u>200,000</u>
 Total securities pledged and federal deposit insurance	 \$1,185,562 <u>=====</u>

Pledged securities in Category 3 include uninsured or unregistered investments for which the securities are held by the broker or dealer, or by its trust department or agent, but not in the Town's name. Even though the pledged securities are considered uncollateralized (Category 3) Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Town that the fiscal agent has failed to pay deposited funds upon demand.

(3) 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 Town in September or October and are actually billed to taxpayers in November or December. Billed taxes become delinquent on January 1 of the following year. The Town bills and collects

TOWN OF YOUNGSVILLE, LOUISIANA

Notes to Financial Statements (Continued)

its own property taxes using the assessed values determined by the tax assessor of Lafayette Parish. Town property tax revenues are budgeted in the year billed.

For the year ended June 30, 1996, taxes of 13.87 mills were levied on property with assessed valuations totaling \$3,007,650 and were dedicated as follows:

General corporate purposes	5.77 mills
Street improvements	3.12 mills
Drainage improvements	3.12 mills
Fire protection	<u>1.86</u> mills
Total	<u>13.87</u> mills

Total taxes levied were \$41,716. There was \$719 of taxes receivable at June 30, 1996.

(4) Fixed Assets

A summary of changes in general fixed assets follows:

	Balance <u>7/01/95</u>	Additions	Deletions	Balance <u>6/30/96</u>
Land	\$ 4,111	\$ -	\$ -	\$ 4,111
Buildings	269,785	-	-	269,785
Improvements other than buildings	143,535	-	-	143,535
Equipment	<u>152,022</u>	<u>64,670</u>	-	<u>216,932</u>
Total general fixed assets	<u>\$569,453</u>	<u>\$64,670</u>	<u>\$ -</u>	<u>\$634,363</u>

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

Land - sewer system	\$ 35,952
Water system	901,825
Sewer system	1,651,825
Machinery and equipment	183,687
Construction in progress	<u>124,601</u>
Total	2,897,890
Less: Accumulated depreciation	<u>(1,225,627)</u>
Net Utility Fund property, plant and equipment	<u>\$ 1,672,263</u>

TOWN OF YOUNGSVILLE, LOUISIANA

Notes to Financial Statements (Continued)

(5) Restricted Assets - Proprietary Fund Type

Restricted assets consisted of the following at June 30:

	<u>1996</u>	<u>1995</u>
Cash with paying agent	\$ 361	\$ 361
Revenue bond and interest sinking account	9,501	10,258
Revenue bond reserve account	45,361	43,565
Revenue bond contingency account	31,749	30,468
Customers' deposits	26,420	23,260
Revenue bond construction fund	<u>218</u>	<u>98,357</u>
Total restricted assets	<u>\$113,610</u>	<u>\$206,269</u>

(6) Interfund Receivables/Payables

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$14,890	\$21,439
Special revenue fund:		
1968 Sales Tax Fund	500	9,152
Utility Fund	22,139	5,738
Agency Fund:		
Payroll fund	<u>20,939</u>	<u>22,139</u>
Totals	<u>\$58,468</u>	<u>\$58,468</u>

TOWN OF YOUNGSVILLE, LOUISIANA

Notes to Financial Statements (Continued)

(7) Changes in Long-Term Debt

The following is a summary of long-term debt transactions of the Town for the year ended June 30, 1996:

	<u>Revenue Bonds and Certificates</u>
Long-term debt payable, July 1, 1995	\$512,000
Long-term debt issued	-
Long-term debt retired	<u>13,000</u>
Long-term debt payable, June 30, 1996	<u>\$499,000</u>

Long-term debt payable at June 30, 1996 is comprised of the following individual issues:

Revenue bonds:

\$210,000 1979 Sewer Utility Revenue Bonds, dated May 4, 1979; due in annual installments of \$4,000 to \$12,000 through May 4, 2019; interest at 5 percent.	\$167,000
\$350,000 1994 Water Revenue Bonds, dated May 19, 1994; due in annual installments of \$9,000 to \$30,000 through May 1, 2014; interest at 6.5 percent.	<u>332,000</u>
Total	499,000
Less: Unamortized issuance costs	<u>(6,305)</u>
	<u>\$492,695</u>

TOWN OF YOUNGSVILLE, LOUISIANA

Notes to Financial Statements (Continued)

The annual requirements to amortize all debt outstanding at June 30, 1996, including interest payments of \$359,900, are as follows:

Year ending <u>June 30,</u>	<u>Revenue Bonds and Certificates</u>
1997	\$ 43,930
1998	44,080
1999	43,165
2000	44,250
2001	44,220
2002-2006	221,225
2007-2011	222,685
2012-2016	157,895
2017-2019	<u>37,450</u>
	<u>\$858,900</u>

(8) Flow of Funds: Restrictions on Use - Utilities Revenues

Revenue Bonds:

Under the terms of the Bond indentures on outstanding Public Utility Bonds dated May 4, 1979, all income and revenues (hereinafter referred to as revenue) of every nature, earned or derived from operation of the Utility System, are pledged and dedicated to the retirement of said bonds, and are to be set aside into the following special funds:

Each month, there will be set aside into a fund called the "Bond and Interest Sinking Fund" an amount constituting 1/12 of the next maturing installment of principal and interest on the outstanding bonds. Such transfers shall be fully sufficient to assure the prompt payment of principal and interest installments as they become due and may be used only for such payments.

There shall also be set aside into a "Bond Reserve Fund" an amount equal to 5% of the amount required to be paid into the Sinking Fund during the current fiscal year until there shall have been accumulated in the Reserve Account an amount equal to the maximum principal and interest requirements in any one maturity year. Such amounts may be used only for the payment of maturing bonds and interest coupons for which sufficient funds are not on deposit in the Bond and Interest Sinking Fund and as to which there would otherwise be default.

TOWN OF YOUNGSVILLE, LOUISIANA

Notes to Financial Statements (Continued)

Funds will also be set aside into a "Contingency Fund" at the rate of \$52 each month. Money in this fund may be used for the making of extraordinary repairs or replacements to the system which are necessary to keep the system in operating condition and for which money is not available as a maintenance and operation expense. Money in this fund may also be used to pay principal or interest on the bonds falling due at any time there is not sufficient money for payment in the other bond funds.

Under the terms of the Bond indentures on outstanding Public Utility Bonds dated May 1, 1994, all income and revenues (hereinafter referred to as revenue) of every nature, earned or derived from operation of the Utility System, are pledged and dedicated to the retirement of said bonds, and are to be set aside into the following special funds:

Each month, there will be set aside into a fund called the "Bond and Interest Sinking Fund" an amount constituting 1/12 of the next maturing installment of principal and interest on the outstanding bonds. Such transfers shall be fully sufficient to assure the prompt payment of principal and interest installments as they become due and may be used only for such payments.

There shall also be set aside into a "Bond Reserve Fund" an amount equal to the highest combined principal and interest requirement for any succeeding bond year. The money in the "Bond Reserve Fund" may be used only for the payment of maturing bonds and interest coupons for which sufficient funds are not on deposit in the Bond and Interest Sinking Fund and as to which there would otherwise be default.

There shall also be set aside into a "Contingency Fund" the sum of \$20,000. Money in this fund may be used to care for extensions, additions, improvements, renewals and replacements necessary to properly operate the water system. Money in this fund may also be used to pay principal or interest on the bonds falling due at any time there is not sufficient money for payment in the other bond funds.

All of the revenues received in any fiscal year and not required to be paid in such fiscal year into any of the above noted funds shall be regarded as surplus and may be used for any lawful corporate purpose.

The Town of Youngsville was in compliance with all significant limitations and restrictions in the bond indentures at June 30, 1996.

TOWN OF YOUNGSVILLE, LOUISIANA

Notes to Financial Statements (Continued)

(9) Employee Retirement

All Town of Youngsville employees, with the exception of those participating in the Municipal Police Employees' Retirement System, participate in the Social Security System. The Town and its employees contribute a percentage of each employee's salary to the System (7.65% contributed by the Town, 7.65% by the employee). The Town's contribution during the year ended June 30, 1996 amounted to \$12,956.

Policemen of the Town of Youngsville elected to participate in the Municipal Police Retirement System of Louisiana effective April 1, 1989. This system is a multiple-employer public employee retirement plan (PERS) controlled and operated by a separate board of trustees. All full time police department employees engaged in law enforcement, empowered to make arrests, not having to pay social security and meeting the state statutory criteria are required to participate in the System. Pertinent information relative to this plan follows:

Municipal Police Employees' Retirement System

Plan members are required to contribute 7.5% of their annual covered salary to the system while the Town is required to contribute at the statutory rate of 9.0% of the total annual covered salary. The Town's contributions to the system for the years ended June 30, 1996, 1995 and 1994 were \$4,212, \$3,098, and \$2,313 respectively, equal to the required contribution for each year.

A publicly available financial report that includes financial statements and required supplemental financial information may be obtained by writing to the Municipal Police Employees' Retirement System, P.O. Box 94095 - Capital Station, Baton Rouge, Louisiana 70804-9095.

(10) Dedication of Proceeds and Flow of Funds - 1% Sales and Use Tax Dated 6/22/68

Proceeds of a 1% sales and use tax (accounted for in the 1968 Sales Tax Fund - a special revenue fund) levied by the Town of Youngsville (1996 collections \$128,062; 1995 \$106,518) are dedicated to the following purposes:

Constructing, acquiring, extending, improving and/or maintaining sewers and sewerage disposal works, and waterworks, including the purchase of equipment therefore, title to which improvements shall be in the public name, or for any one or more of said purposes. The tax is also subject to funding into bonds

TOWN OF YOUNGSVILLE, LOUISIANA

Notes to Financial Statements (Continued)

of the Town in the manner authorized in the Louisiana Revised Statutes. As of June 30, 1996, the net sales tax proceeds are dedicated to paying the Town's \$210,000 Sewer Utility Revenue bonds dated May 4, 1979 and \$350,000 Water Utility Bonds dated May 19, 1994.

(11) Dedication of Proceeds and Flow of Funds - 1% Sales and Use Tax Dated 7/11/81

Proceeds of a 1% sales and use tax levied by the Town of Youngsville (accounted for in the General Fund) beginning September 1, 1981 (1996 collections \$128,062; 1995 \$106,518) are dedicated to the following purposes:

Providing funds to maintain the Town's police force and law enforcement facilities, including the acquisition of equipment and furnishings therefor, the construction and/or acquisition of buildings to house such facilities and paying employees' and policemen's salaries.

(12) Segment Information for the Enterprise Fund

The Town of Youngsville maintains one enterprise fund with three departments which provide water, sewerage and sanitation services. Segment information for the year ended June 30, 1996 was as follows:

	<u>Water Department</u>	<u>Sewerage Department</u>	<u>Sanitation Department</u>	<u>Total Enterprise Fund</u>
Operating revenues	\$179,439	\$116,672	\$70,898	\$367,009
Operating expenses	<u>130,296</u>	<u>110,001</u>	<u>61,993</u>	<u>302,290</u>
Operating income	\$ 49,143 =====	\$ 6,671 =====	\$ 8,905 =====	\$ 64,719 =====

(13) Contributed Capital

Amounts contributed to the Utility Fund for acquisition or construction of fixed assets are recognized as contributed capital. Contributed capital generated through grants externally restricted for capital acquisitions is amortized based on the depreciation recognized on that portion of the assets acquired or constructed from such grants. This depreciation is closed to the appropriate contributed capital account and is reflected as an adjustment to net income on the Comparative Statement of Revenues, Expenses, and Changes in Retained Earnings.

TOWN OF YOUNGSVILLE, LOUISIANA

Notes to Financial Statements (Continued)

The sources of contributed capital used to acquire and construct facilities of the enterprise fund are as follows:

	<u>Municipality</u>	<u>State Grants</u>	<u>Federal Grants</u>	<u>Private Organizations</u>	<u>Total</u>
Total contributed capital	\$168,038	\$94,339	\$1,719,675	\$27,787	\$2,009,839
Less: Accumulated amortization	<u>-</u>	<u>-</u>	<u>(667,624)</u>	<u>-</u>	<u>(667,624)</u>
Net contributed capital	<u>\$168,038</u>	<u>\$94,339</u>	<u>\$1,052,051</u>	<u>\$27,787</u>	<u>\$1,342,215</u>

(14) Compensation of Town Officials

A detail of compensation paid to the Mayor and Board of Aldermen for the year ended June 30, 1996 follows:

Lucas Denais, Mayor	\$ 7,200
Aldermen:	
Wilson Viator	1,275
Paul Huval	1,250
Kathleen Cart	1,250
Jesse Vallot	1,250
George Knox	<u>1,275</u>
	<u>\$13,500</u>

(15) Pending Litigation

There is one suit pending against the Town of Youngsville at June 30, 1996. In the opinion of the Town's legal counsel, it is believed that the resolution of the litigation will not create a liability to the Town which would be material to the financial statements.

SUPPLEMENTAL INFORMATION

SCHEDULES OF INDIVIDUAL FUNDS
AND ACCOUNT GROUPS

GENERAL FUND

To account for resources traditionally associated with governments which are not required to be accounted for in another fund.

TOWN OF YOUNGSVILLE, LOUISIANA
General Fund

Comparative Balance Sheet
June 30, 1996 and 1995

	<u>1996</u>	<u>1995</u>
ASSETS		
Cash	\$129,795	\$119,336
Interest-bearing deposits, at cost	132,162	88,439
Receivables:		
Ad valorem taxes receivable	719	246
Other receivables	501	264
Due from other funds	<u>14,890</u>	<u>15,850</u>
 Total assets	 <u>\$278,067</u>	 <u>\$224,135</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable	\$ 15,209	\$ 15,365
Due to other funds	<u>21,439</u>	<u>17,182</u>
Total liabilities	36,648	32,547
 Fund balance:		
Unreserved, undesignated	<u>241,419</u>	<u>191,588</u>
 Total liabilities and fund balance	 <u>\$278,067</u>	 <u>\$224,135</u>

TOWN OF YOUNGSVILLE, LOUISIANA
General Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance -
Budget (GAAP Basis) and Actual
Year Ended June 30, 1996
With Comparative Actual Amounts for Year Ended June 30, 1995

	<u>1996</u>		Variance - Favorable (Unfavorable)	1995 Actual
	<u>Budget</u>	<u>Actual</u>		
Revenues:				
Taxes	\$210,296	\$215,845	\$ 5,549	\$190,358
Licenses and permits	77,620	87,161	9,541	72,807
Intergovernmental	26,093	27,959	1,866	34,835
Fines and forfeits	110,800	107,356	(3,444)	45,701
Miscellaneous	<u>3,650</u>	<u>4,512</u>	<u>862</u>	<u>3,275</u>
Total revenues	<u>428,459</u>	<u>442,833</u>	<u>14,374</u>	<u>346,976</u>
Expenditures:				
General government	132,372	132,020	352	103,968
Public safety -				
Police	154,722	149,405	5,317	93,890
Fire	4,200	4,200	-	14,200
Streets and drainage	43,950	51,542	(7,592)	47,937
Capital outlay	<u>68,762</u>	<u>64,910</u>	<u>3,852</u>	<u>17,108</u>
Total expenditures	<u>404,006</u>	<u>402,077</u>	<u>1,929</u>	<u>277,103</u>
Excess of revenues over expenditures	<u>24,453</u>	<u>40,756</u>	<u>16,303</u>	<u>69,873</u>
Other financing sources (uses):				
Transfer from Utility Fund	31,500	31,500	-	29,500
Transfer to Capital Projects Fund	-	-	-	(5,881)
Transfer to Utility Fund	<u>-</u>	<u>(22,425)</u>	<u>(22,425)</u>	<u>(20,415)</u>
Total other financing sources (uses)	<u>31,500</u>	<u>9,075</u>	<u>(22,425)</u>	<u>3,204</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	55,953	49,831	(6,122)	73,077
Fund balance, beginning	<u>191,589</u>	<u>191,588</u>	<u>-</u>	<u>118,511</u>
Fund balance, ending	<u>\$247,542</u>	<u>\$241,419</u>	<u>\$ (6,122)</u>	<u>\$191,588</u>

TOWN OF YOUNGSVILLE, LOUISIANA
General Fund

Statement of Revenues Compared to Budget (GAAP Basis)
Year Ended June 30, 1996
With Comparative Actual Amounts for Year Ended June 30, 1995

	1996		Variance - Favorable (Unfavorable)	1995 Actual
	Budget	Actual		
Taxes:				
Sales taxes	\$123,300	\$128,062	\$ 4,762	\$106,518
Ad valorem	40,700	41,447	747	39,655
Franchise - electric	38,600	38,640	40	32,336
Franchise - gas	4,045	4,045	-	8,580
Franchise - cable tv	3,651	3,651	-	3,269
	<u>210,296</u>	<u>215,845</u>	<u>5,549</u>	<u>190,358</u>
Licenses and permits:				
Occupational licenses	4,120	4,145	25	4,145
Insurance occupational licenses	46,200	53,868	7,668	48,294
Codes and permits	27,300	29,148	1,848	20,368
	<u>77,620</u>	<u>87,161</u>	<u>9,541</u>	<u>72,807</u>
Intergovernmental:				
Federal grant -				
Cops Fast Award Grant	12,500	12,500	-	-
Federal Emergency Management Agency	-	-	-	4,811
State of Louisiana -				
Tobacco taxes	6,217	6,217	-	6,227
Beer taxes	3,201	4,172	971	2,685
Video Poker	4,175	5,070	895	5,622
Police equipment grant	-	-	-	2,990
Local grant -				
Lafayette Economic Development Authority	-	-	-	12,500
	<u>26,093</u>	<u>27,959</u>	<u>1,866</u>	<u>34,835</u>
Fines and forfeits:				
Fines and court costs	110,800	107,356	(3,444)	45,701
Miscellaneous:				
Proceeds from disposal of fixed assets	-	-	-	575
Interest on interest-bearing accounts	3,450	4,291	841	2,468
Other sources	200	221	21	232
	<u>3,650</u>	<u>4,512</u>	<u>862</u>	<u>3,275</u>
Total revenues	<u>\$428,459</u>	<u>\$442,833</u>	<u>\$14,374</u>	<u>\$346,976</u>

TOWN OF YOUNGSVILLE, LOUISIANA
General Fund

Statement of Expenditures Compared to Budget (GAAP Basis)
Year Ended June 30, 1996
With Comparative Actual Amounts for Year Ended June 30, 1995

	1996		Variance -	1995
	Budget	Actual	Favorable (Unfavorable)	Actual
General government:				
Administrative -				
Salaries - council	\$ 6,300	\$ 6,300	\$ -	\$ 6,100
Mayor's allowance	7,200	7,200	-	4,800
Other salaries	37,000	37,376	(376)	29,100
Payroll taxes	4,000	4,071	(71)	3,341
Group insurance	10,528	10,529	(1)	2,632
Utilities and telephone	6,920	6,908	12	3,619
Mayor's expense	218	218	-	1,584
Advertising	1,200	1,524	(324)	1,084
Repairs and maintenance	5,400	4,377	1,023	1,930
Inspection fees	6,200	6,120	80	6,200
Bad debts	550	229	321	877
Dues and publications	215	215	-	464
Professional fees	11,420	11,094	326	7,931
General insurance	12,000	11,115	885	11,241
Office supplies	10,000	9,869	131	14,970
Janitorial expense	2,650	2,568	82	1,059
Uniform expense	-	1,276	(1,276)	484
Community Relations	3,560	3,024	536	913
Sales tax collection expense	650	715	(65)	545
Miscellaneous	35	140	(105)	425
Engineering	985	1,800	(815)	-
Total administrative	<u>127,031</u>	<u>126,668</u>	<u>363</u>	<u>99,299</u>
Magistrate court -				
Salaries	4,066	4,065	1	4,065
Legal fees	1,275	1,287	(12)	604
Total magistrate court	<u>5,341</u>	<u>5,352</u>	<u>(11)</u>	<u>4,669</u>
Total general government	<u>132,372</u>	<u>132,020</u>	<u>352</u>	<u>103,968</u>

(continued)

TOWN OF YOUNGSVILLE, LOUISIANA
General Fund

Statement of Expenditures Compared to Budget (GAAP Basis) (Continued)
Year Ended June 30, 1996
With Comparative Actual Amounts for Year Ended June 30, 1995

	1996		Variance - Favorable (Unfavorable)	1995 Actual
	Budget	Actual		Actual
Public safety:				
Police -				
Salaries	\$ 76,750	\$ 77,079	\$ (329)	\$ 47,150
Payroll taxes and retirement	9,000	9,097	(97)	7,108
Group insurance	12,175	9,428	2,747	2,051
Repairs and maintenance	7,700	7,555	145	4,295
Office supplies and expense	4,750	5,529	(779)	3,505
Dues and subscriptions	115	115	-	123
Telephone and utilities	3,900	3,880	20	3,590
Insurance	7,350	6,953	397	6,889
Auto expense	11,800	10,523	1,277	6,902
Rent	-	-	-	1,400
Professional fees	1,000	1,000	-	-
Uniforms and supplies	7,900	6,034	1,866	3,737
Equipment rental	2,005	2,053	(48)	1,797
Marshall's expense	2,725	2,995	(270)	2,063
Janitorial expense	600	600	-	300
Act 474, 152 and 562 expense	5,631	5,268	(363)	1,790
Training	800	905	(105)	1,180
Miscellaneous	271	271	-	10
Clerk bond contract work	250	120	130	-
Total police	154,722	149,405	5,317	93,890
Fire -				
Donation to volunteer fire department	4,200	4,200	-	14,200
Total public safety	158,922	153,605	5,317	108,090

(continued)

TOWN OF YOUNGSVILLE, LOUISIANA
General Fund

Statement of Expenditures Compared to Budget (GAAP Basis) (Continued)
Year Ended June 30, 1996
With Comparative Actual Amounts for Year Ended June 30, 1995

	1996		Variance - Favorable (Unfavorable)	1995 Actual
	<u>Budget</u>	<u>Actual</u>	<u>(Unfavorable)</u>	<u>Actual</u>
Streets and drainage:				
Streets -				
Salaries	\$ 13,020	\$ 13,163	\$ (143)	\$ 10,744
Payroll taxes	1,200	1,221	(21)	1,000
Supplies, materials and repairs	8,500	17,067	(8,567)	13,274
Auto and truck expense	2,820	1,788	1,032	5,004
Street lighting	17,225	17,745	(520)	16,088
Park expense	625	-	625	620
Engineering fees	500	499	1	1,207
Miscellaneous	60	59	1	-
Total streets and drainage	<u>43,950</u>	<u>51,542</u>	<u>(7,592)</u>	<u>47,937</u>
Capital outlay:				
General government -				
Equipment	3,205	5,516	(2,311)	14,479
Public safety -				
Equipment	30,396	33,324	(2,928)	1,967
Streets and drainage -				
Equipment	35,161	26,070	9,091	662
Total capital outlay	<u>68,762</u>	<u>64,910</u>	<u>3,852</u>	<u>17,108</u>
Total expenditures	<u>\$404,006</u>	<u>\$402,077</u>	<u>\$ 1,929</u>	<u>\$277,103</u>

SPECIAL REVENUE FUND

1968 Sales Tax Fund - To account for the receipt and use of proceeds of the Town's 1% sales and use tax approved by the voters on April 27, 1968. These taxes are dedicated and used for the purposes of constructing, acquiring, extending, improving and/or maintaining waterworks, sewers and sewerage disposal works, including the purchase of equipment therefor, title to which improvements shall be in the public name. The tax is also subject to funding into bonds of the Town in the manner authorized in the Louisiana Revised Statutes.

TOWN OF YOUNGSVILLE, LOUISIANA
Special Revenue Fund
1968 Sales Tax Fund

Comparative Balance Sheet
June 30, 1996 and 1995

	<u>1996</u>	<u>1995</u>
ASSETS		
Cash	\$ 71,971	\$ 41,181
Certificate of deposit	50,000	-
Receivables:		
Taxes receivable	24,434	21,535
Due from other funds	500	2,201
Other receivables	<u>240</u>	<u>-</u>
Total assets	<u>\$147,145</u>	<u>\$ 64,917</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable	\$ 280	\$ 490
Due to other funds	<u>9,152</u>	<u>7,702</u>
Total liabilities	9,432	8,192
Fund balance:		
Unreserved, undesignated	<u>137,713</u>	<u>56,725</u>
Total liabilities and fund balance	<u>\$147,145</u>	<u>\$ 64,917</u>

TOWN OF YOUNGSVILLE, LOUISIANA
Special Revenue Fund
1968 Sales Tax Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance -
Budget (GAAP Basis) and Actual
Year Ended June 30, 1996
With Comparative Actual Amounts for Year Ended June 30, 1995

	1996		Variance -	1995
	Budget	Actual	Favorable	Actual
			(Unfavorable)	
Revenues:				
Taxes	\$123,282	\$128,062	\$4,780	\$106,518
Miscellaneous - interest	325	572	247	271
Total revenues	123,607	128,634	5,027	106,789
Expenditures:				
General government -				
Sales tax collection fees	655	715	(60)	545
Accounting fees	2,500	2,265	235	1,665
Total expenditures	3,155	2,980	175	2,210
Excess of revenues over expenditures	120,452	125,654	5,202	104,579
Other financing sources (uses):				
Transfer to General Fund	-	-	-	(29,500)
Transfer to Utility Fund	(44,664)	(44,664)	-	(13,164)
Transfer to Capital Projects Fund	-	-	-	(37,500)
Transfer from Debt Service Fund	-	-	-	3,191
Total other uses	(44,664)	(44,664)	-	(76,973)
Excess of revenues and other sources over expenditures and other uses	75,788	80,990	5,202	27,606
Fund balance, beginning	56,725	56,725	-	29,119
Fund balance, ending	\$132,513	\$137,715	\$5,202	\$ 56,725

DEBT SERVICE FUND

Public Improvement Bonds dated 9/1/70 - To accumulate monies for payment of the 1970 \$90,000 Public Improvement Bonds Series ST-1. Debt service is financed from proceeds of the Town's 1% sales and use tax approved in 1968. The final principal payment was made and the fund closed during the fiscal year ended June 30, 1996.

TOWN OF YOUNGSVILLE, LOUISIANA
 Debt Service Fund
 Public Improvement Bonds Dated 9/1/70

Comparative Balance Sheet
 June 30, 1996 and 1995

	<u>1996</u>	<u>1995</u>
ASSETS		
Cash	\$ - <u> </u>	\$ - <u> </u>
FUND BALANCE		
Fund balance:		
Reserved for debt service	\$ - <u> </u>	\$ - <u> </u>
Unreserved, undesignated	<u> </u>	<u> </u>
Total fund balance	<u>\$ -</u> <u> </u>	<u>\$ -</u> <u> </u>

TOWN OF YOUNGSVILLE, LOUISIANA
Debt Service Fund
Public Improvement Bonds Dated 9/1/70

Statement of Revenues, Expenditures, and Changes in Fund Balance -
Budget (GAAP Basis) and Actual
Year Ended June 30, 1996
With Comparative Actual Amounts for Year Ended June 30, 1995

	1996		Variance - Favorable	1995
	Budget	Actual	(Unfavorable)	Actual
Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Debt service -	-	-	-	6,000
Principal retirement	-	-	-	400
Interest and fiscal charges	-	-	-	6,400
Total expenditures	-	-	-	6,400
Deficiency of revenues over expenditures	-	-	-	(6,400)
Other financing use:				
Transfer to Sales Tax Fund	-	-	-	(3,191)
Deficiency of revenues over expenditures and other uses	-	-	-	(9,591)
Fund balance, beginning	-	-	-	9,591
Fund balance, ending	\$ -	\$ -	\$ -	\$ -

CAPITAL PROJECTS FUND

City Hall Construction - To account for the construction of the new City Hall using proceeds from the General and Enterprise Funds, sales tax revenues and a grant from the State of Louisiana.

TOWN OF YOUNGSVILLE
 Capital Projects Fund
 City Hall Construction Fund

Comparative Balance Sheet
 June 30, 1996 and 1995

	<u>1996</u>	<u>1995</u>
ASSETS		
Interest-bearing deposits, at cost	\$ -	\$ 91,835
Receivable - state grant	<u>-</u>	<u>12,726</u>
Total assets	<u>\$ -</u>	<u>\$104,561</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable	\$ -	\$ 357
Retainage payable	<u>-</u>	<u>2,000</u>
Total liabilities	-	2,357
Fund balance:		
Reserved for subsequent period expenditures	<u>-</u>	<u>102,204</u>
Total liabilities and fund balance	<u>\$ -</u>	<u>\$104,561</u>

TOWN OF YOUNGSVILLE
 Capital Projects Fund
 City Hall Construction Fund

Statement of Revenues, Expenditures and Changes in Fund Balance -
 Budget (GAAP Basis) and Actual
 Year Ended June 30, 1996

	1996		Variance - Favorable (Unfavorable)	1995
	<u>Budget</u>	<u>Actual</u>		
Revenues:				
Intergovernmental -				
State grant	\$ -	\$ -	\$ -	\$150,000
Miscellaneous - interest	576	576	-	685
Miscellaneous revenue	<u>-</u>	<u>2,000</u>	<u>2,000</u>	<u>-</u>
Total revenues	<u>576</u>	<u>2,576</u>	<u>2,000</u>	<u>150,685</u>
Expenditures:				
Capital outlay -				
Construction costs	-	-	-	162,781
Equipment	<u>-</u>	<u>-</u>	<u>-</u>	<u>20,551</u>
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>183,332</u>
Excess (deficiency) of revenues over expenditures	<u>576</u>	<u>2,576</u>	<u>2,000</u>	<u>(32,647)</u>
Other financing sources:				
Transfer from General Fund	-	-	-	5,881
Transfer from (to) Utility fund	(102,780)	(104,780)	(2,000)	76,545
Transfer from Sales Tax Fund	<u>-</u>	<u>-</u>	<u>-</u>	<u>37,500</u>
Total other financing sources	<u>(102,780)</u>	<u>(104,780)</u>	<u>(2,000)</u>	<u>119,926</u>
Excess (deficiency) of revenues and other financing sources over expenditures	(102,204)	(102,204)	-	87,279
Fund balance, beginning	<u>102,204</u>	<u>102,204</u>	<u>-</u>	<u>14,925</u>
Fund balance, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$102,204</u>

ENTERPRISE FUND

Utility Fund - To account for the provision of water, sewerage and sanitation (garbage) services to residents of the Town. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing related debt service, and billing and collection.

TOWN OF YOUNGSVILLE, LOUISIANA
Enterprise Fund
Utility Fund

Comparative Balance Sheet
June 30, 1996 and 1995

	<u>1996</u>	<u>1995</u>
ASSETS		
Current assets:		
Cash	\$ 79,664	\$ 20
Interest-bearing deposits, at cost	215,966	116,577
Receivables -		
Accounts receivable	32,115	26,898
Unbilled utility receivables	15,387	13,243
Accrued interest receivable	3,636	221
Due from other funds	<u>22,139</u>	<u>19,797</u>
Total current assets	<u>368,907</u>	<u>176,756</u>
Restricted assets:		
Cash with paying agent	361	361
Revenue bond sinking fund -		
Cash	5,274	5,359
Interest-bearing deposits, at cost	4,227	4,899
Revenue bond reserve fund -		
Interest-bearing deposits, at cost	45,361	43,565
Revenue bond contingency fund -		
Interest-bearing deposits, at cost	31,749	30,468
Customers' deposits -		
Cash	14,479	7,152
Interest-bearing deposits, at cost	11,941	16,108
Construction fund:		
Interest-bearing deposits, at cost	<u>218</u>	<u>98,357</u>
Total restricted assets	<u>113,610</u>	<u>206,269</u>
Property, plant and equipment:		
Property, plant and equipment, at cost, net of accumulated depreciation (1996 \$1,225,627; 1995 \$1,186,534)	<u>1,672,263</u>	<u>1,589,539</u>
Total assets	<u>\$2,154,780</u>	<u>\$1,972,564</u>

	<u>1996</u>	<u>1995</u>
LIABILITIES AND FUND EQUITY		
Liabilities:		
Current liabilities (payable from current assets) -		
Accounts payable	\$ 23,842	\$ 13,291
Other liabilities	570	481
Due to other funds	<u>5,738</u>	<u>8,148</u>
Total current liabilities (payable from current assets)	<u>30,150</u>	<u>21,920</u>
Current liabilities (payable from restricted assets) -		
Revenue bonds payable	14,000	13,000
Interest payable	4,851	4,979
Customers' deposits	<u>26,420</u>	<u>23,260</u>
Total current liabilities (payable from restricted assets)	<u>45,271</u>	<u>41,239</u>
Long-term liabilities:		
Revenue bonds payable	<u>478,695</u>	<u>492,344</u>
Total liabilities	<u>554,116</u>	<u>555,503</u>
Fund equity:		
Contributed capital -		
Municipality	168,038	168,038
State grants	94,339	94,339
Federal grants, net of accumulated amortization (1996 \$667,624; 1995 \$634,505)	1,052,051	1,085,170
Private organizations	<u>27,787</u>	<u>27,787</u>
Total contributed capital	<u>1,342,215</u>	<u>1,375,334</u>
Retained earnings (deficit) -		
Reserved for debt retirement	68,121	66,673
Unreserved	<u>190,328</u>	<u>(24,946)</u>
Total retained earnings	<u>258,449</u>	<u>41,727</u>
Total fund equity	<u>1,600,664</u>	<u>1,417,061</u>
Total liabilities and fund equity	<u>\$2,154,780</u>	<u>\$1,972,564</u>

TOWN OF YOUNGSVILLE, LOUISIANA
Enterprise Fund
Utility Fund

Comparative Statement of Revenues, Expenses, and Changes in Retained Earnings
Years Ended June 30, 1996 and 1995

	<u>1996</u>	<u>1995</u>
Operating revenues:		
Charges for services -		
Water charges	\$154,528	\$140,971
Sewer charges	113,549	104,063
Sanitation charges	69,682	53,094
Miscellaneous	<u>29,250</u>	<u>23,698</u>
Total operating revenues	<u>367,009</u>	<u>321,826</u>
Operating expenses:		
Water department	130,296	116,629
Sewerage department	110,001	108,098
Sanitation department	<u>61,993</u>	<u>48,618</u>
Total operating expenses	<u>302,290</u>	<u>273,345</u>
Operating income	<u>64,719</u>	<u>48,481</u>
Nonoperating revenues (expenses):		
Bad debts recovered	44	75
Interest income	10,263	5,435
Interest expense	(30,588)	(31,373)
Paying agent fees	(854)	(1,053)
Amortization - bond issue cost	<u>(350)</u>	<u>(350)</u>
Total nonoperating revenues (expenses)	<u>(21,485)</u>	<u>(27,266)</u>
Income before operating transfers	<u>43,234</u>	<u>21,215</u>
Operating transfers in (out):		
Operating transfers in	140,369	33,579
Operating transfers out	<u>-</u>	<u>(76,545)</u>
Total operating transfers	<u>140,369</u>	<u>(42,966)</u>
Net income (loss)	183,603	(21,751)
Add: Depreciation on fixed assets acquired with federal grant revenues externally restricted for capital acquisitions and construction that reduces contributed capital	<u>33,119</u>	<u>33,118</u>
Increase in retained earnings	216,722	11,367
Retained earnings, beginning	<u>41,727</u>	<u>30,360</u>
Retained earnings, ending	<u>\$258,449</u>	<u>\$ 41,727</u>

TOWN OF YOUNGSVILLE, LOUISIANA

Comparative Statement of Operating Expenses by Department
Years Ended June 30, 1996 and 1995

	<u>1996</u>	<u>1995</u>
Water department:		
Salaries	\$ 25,104	\$ 26,013
Payroll taxes	2,714	2,227
Maintenance and repairs	14,234	10,225
Utilities	16,035	12,451
Professional fees	7,770	6,915
Insurance	11,456	10,776
Office expense	3,644	3,550
Supplies and parts	13,465	11,975
Bad debts	527	741
Depreciation	29,990	31,053
Auto allowance	3,100	-
Computer expense	761	-
Miscellaneous	<u>1,496</u>	<u>700</u>
Total gas department	<u>130,296</u>	<u>116,626</u>
Sewerage department:		
Salaries	6,276	6,503
Payroll taxes	678	558
Sewer tests	1,191	1,320
Maintenance and repairs	5,251	3,940
Contract maintenance fees	27,600	27,600
Utilities	14,892	14,889
Professional fees	2,220	1,640
Insurance	7,638	7,184
Office expense	2,490	1,666
Supplies and parts	10,516	12,972
Depreciation	<u>31,249</u>	<u>29,826</u>
Total sewerage department	<u>110,001</u>	<u>108,098</u>
Sanitation department:		
Garbage collection fees	<u>61,993</u>	<u>48,618</u>
Total operating expenses	<u>\$302,290</u>	<u>\$273,342</u>

TOWN OF YOUNGSVILLE, LOUISIANA
Enterprise Fund
Utility Fund

Comparative Statement of Cash Flows
Years Ended June 30, 1996 and 1995

	<u>1996</u>	<u>1995</u>
Cash flows from operating activities:		
Operating income	\$ <u>64,719</u>	\$ <u>48,481</u>
Adjustments to reconcile net income to net cash provided by operating activities -		
Depreciation	61,239	60,879
Changes in current assets and liabilities:		
Increase in accounts receivable	(5,217)	(2,975)
Increase in due from other funds	(2,342)	(4,429)
Increase in unbilled utility receivables	(2,144)	(1,476)
Increase (decrease) in accounts payable	10,551	(5,095)
Decrease in due to other funds	(2,410)	(125)
Increase in other accrued liabilities	<u>89</u>	<u>50</u>
Total adjustments	<u>59,766</u>	<u>46,829</u>
Net cash provided by operating activities	<u>124,485</u>	<u>95,310</u>
Cash flows from noncapital financing activities:		
Operating transfers in from other funds	140,369	33,579
Operating transfers out to other funds	-	(76,545)
Bad debt recoveries	<u>44</u>	<u>75</u>
Net cash provided (used) by noncapital financing activities	<u>140,413</u>	<u>(42,891)</u>
Cash flows from capital and related financing activities:		
Interest paid on revenue bonds	(30,715)	(31,500)
Principal paid on revenue bonds	(13,000)	(13,000)
Paying agent fees	(854)	(1,053)
Acquisition of property, plant and equipment	(143,963)	(7,510)
Net proceeds from customer deposits	<u>3,160</u>	<u>1,610</u>
Net cash provided (used) by capital and related financing activities	<u>(185,372)</u>	<u>(51,453)</u>
Cash flows from investing activities:		
Net (increase) decrease in interest-bearing deposits	(130,339)	13,843
Interest received on interest-bearing deposits	<u>6,848</u>	<u>5,889</u>
Net cash provided (used) by investing activities	<u>(123,491)</u>	<u>19,732</u>

(continued)

TOWN OF YOUNGSVILLE, LOUISIANA
Enterprise Fund
Utility Fund

Comparative Statement of Cash Flows - (Continued)
Years Ended June 30, 1996 and 1995

	<u>1996</u>	<u>1995</u>
Net increase (decrease) in cash and cash equivalents	(43,965)	20,698
Cash and cash equivalents, beginning of period	<u>310,067</u>	<u>289,369</u>
Cash and cash equivalents, end of period	<u>\$ 266,102</u>	<u>\$ 310,067</u>
Reconciliation of cash and cash equivalents per statement of cash flows to the balance sheet:		
Cash and cash equivalents, beginning of period -		
Cash - unrestricted	\$ 20	\$ 20
Cash - restricted	12,872	24,853
Interest-bearing deposits - unrestricted	116,577	94,690
Interest-bearing deposits - restricted	193,397	196,448
Less: Certificates of deposits with a maturity over three months	<u>(12,799)</u>	<u>(26,642)</u>
Total cash and cash equivalents	<u>310,067</u>	<u>289,369</u>
Cash and cash equivalents, end of period -		
Cash - unrestricted	79,664	20
Cash - restricted	20,114	12,872
Interest-bearing deposits - unrestricted	215,966	116,577
Interest-bearing deposits - restricted	93,496	193,397
Less: Certificates of deposits with a maturity over three months	<u>(143,138)</u>	<u>(12,799)</u>
Total cash and cash equivalents	<u>266,102</u>	<u>310,067</u>
Net increase (decrease)	<u>\$ (43,965)</u>	<u>\$ 20,698</u>

The accompanying notes are an integral part of this statement.

TOWN OF YOUNGSVILLE, LOUISIANA
 Enterprise Fund
 Utility Fund

Schedule of Changes in Assets Restricted for Revenue Bond Debt Service
 Year Ended June 30, 1996

	<u>Cash with Paying Agent</u>	<u>Bond and Interest Sinking</u>	<u>Reserve</u>	<u>Contingency</u>	<u>Construction Fund</u>	<u>Total</u>
Cash and interest-bearing deposits, July 1, 1995	\$ 361	\$10,258	\$43,565	\$30,468	\$ 98,357	\$183,009
Cash receipts:						
Transfer from bond and interest sinking	44,569	-	-	-	-	44,569
Transfer from 1968 Sales Tax Fund	-	11,900	640	624	-	13,164
Transfer from operating account	-	31,913	-	-	8,000	39,913
Interest on interest-bearing deposits	-	-	1,156	657	1,074	2,887
Total cash receipts	<u>44,569</u>	<u>43,813</u>	<u>1,796</u>	<u>1,281</u>	<u>9,074</u>	<u>100,533</u>
Total cash and investments available	<u>44,930</u>	<u>54,071</u>	<u>45,361</u>	<u>31,749</u>	<u>107,431</u>	<u>283,542</u>
Cash disbursements:						
Principal payments	13,000	-	-	-	-	13,000
Interest payments	30,715	-	-	-	-	30,715
Transfer to paying agent	-	44,570	-	-	-	44,570
Paying agent fees	854	-	-	-	-	854
Transfer to operating account	-	-	-	-	107,213	107,213
Total disbursements	<u>44,569</u>	<u>44,570</u>	<u>-</u>	<u>-</u>	<u>107,213</u>	<u>196,352</u>
Cash and interest-bearing deposits, June 30, 1996	\$ 361	\$ 9,501	\$45,361	\$31,749	\$ 218	\$ 87,190

AGENCY FUND

Payroll Fund - To account for the centralization of the clearing account which is used for the disbursement of all Town funds for payroll and payroll-related costs.

TOWN OF YOUNGSVILLE, LOUISIANA
 Agency Fund
 Payroll Fund

Comparative Balance Sheet
 June 30, 1996 and 1995

	<u>1996</u>	<u>1995</u>
ASSETS		
Cash	\$ 9,995	\$13,464
Due from other funds	<u>20,939</u>	<u>14,964</u>
Total assets	<u>\$30,934</u>	<u>\$28,428</u>
LIABILITIES		
Accrued liabilities	\$ 8,795	\$ 8,648
Due to other funds	<u>22,139</u>	<u>19,780</u>
Total liabilities	<u>\$30,934</u>	<u>\$28,428</u>

TOWN OF YOUNGSVILLE, LOUISIANA
 Agency Fund
 Payroll Fund

Statement of Changes in Assets and Liabilities
 Year Ended June 30, 1996

	<u>Balance</u> <u>7/01/95</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>6/30/96</u>
ASSETS				
Cash	\$13,464	\$179,750	\$183,219	\$ 9,995
Due from other funds	<u>14,964</u>	<u>155,675</u>	<u>149,700</u>	<u>20,939</u>
Total assets	<u>\$28,428</u>	<u>\$335,425</u>	<u>\$332,919</u>	<u>\$30,934</u>
LIABILITIES				
Accrued liabilities	\$ 8,648	\$187,141	\$186,994	\$ 8,795
Due to other funds	<u>19,780</u>	<u>33,800</u>	<u>31,441</u>	<u>22,139</u>
Total liabilities	<u>\$28,428</u>	<u>\$220,941</u>	<u>\$218,435</u>	<u>\$30,934</u>

GENERAL FIXED ASSETS ACCOUNT GROUP

To account for fixed assets not used in proprietary fund operations.

TOWN OF YOUNGSVILLE, LOUISIANA

Comparative Statement of General Fixed Assets
June 30, 1996 and 1995

	<u>1996</u>	<u>1995</u>
General fixed assets, at cost:		
Land	\$ 4,111	\$ 4,111
Buildings	269,785	269,785
Improvements other than buildings	143,535	143,535
Equipment	<u>216,932</u>	<u>152,022</u>
Total general fixed assets	<u>\$634,363</u>	<u>\$569,453</u>
Investment in general fixed assets:		
Property acquired from -		
General Fund revenues	\$535,509	\$472,322
Sales Tax Fund revenues	8,672	8,672
Utility Fund revenues	<u>90,182</u>	<u>88,459</u>
Total investment in general fixed assets	<u>\$634,363</u>	<u>\$569,453</u>

TOWN OF YOUNGSVILLE, LOUISIANA

Statement of Changes in General Fixed Assets
Year Ended June 30, 1996

	<u>Land</u>	<u>Building</u>	<u>Improvements Other Than Buildings</u>	<u>Equipment</u>	<u>Construction in Progress</u>	<u>Total</u>
General fixed assets, beginning of year	\$4,111	\$269,785	\$143,535	\$152,022	\$ -	\$569,453
Additions	-	-	-	64,910	-	64,910
Total balances and additions	4,111	269,785	143,535	216,932	-	634,362
Deletions	-	-	-	-	-	-
General fixed assets, end of year	\$4,111	\$269,785	\$143,535	\$216,932	\$ -	\$634,363

GENERAL LONG-TERM DEBT ACCOUNT GROUP

To account for unmatured principal amounts on general long-term debt expected to be financed from governmental type funds. Payment of maturing obligations, including interest, are accounted for in the debt service fund.

TOWN OF YOUNGSVILLE, LOUISIANA

Comparative Statement of General Long-Term Debt
June 30, 1996 and 1995

	<u>1996</u>	<u>1995</u>
AMOUNT AVAILABLE AND TO BE PROVIDED FOR THE RETIREMENT OF GENERAL LONG-TERM DEBT		
Amount available in debt service fund for debt retirement	\$ -	\$ -
Amount to be provided from:		
1% sales and use tax (1968)	<u>-</u>	<u>-</u>
Total available and to be provided	<u>\$ -</u>	<u>\$ -</u>
GENERAL LONG-TERM DEBT PAYABLE		
Bonds payable	<u>\$ -</u>	<u>\$ -</u>

INTERNAL CONTROL AND COMPLIANCE

DARNALL, SIKES, KOLDER, FREDERICK & RAINEY

(A CORPORATION OF CERTIFIED PUBLIC ACCOUNTANTS)

Offices:

E. Larry Sikes, CPA
C. Burton Kolder, CPA
Danny P. Frederick, CPA
Chris Rainey, CPA
Clayton E. Darnall, CPA
Eugene H. Darnall, III, CPA
Russell F. Champagne, CPA
Victor R. Slaven, CPA
Conrad O. Chapman, CPA

RETIRED

Eugene H. Darnall, CPA 1990

Lloyd F. Dore, Jr. CPA
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Stephanie M. Higginbotham, CPA
Kathleen T. Darnall, CPA
Jennifer S. Ziegler, CPA
P. Troy Courville, CPA
Stephen R. Dischler, MBA, CPA

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL STRUCTURE BASED ON AN AUDIT OF GENERAL PURPOSE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

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2011 MacArthur Drive
Building 1
Alexandria, LA 71301
(318) 445-5564

The Honorable Lucas Denais, Mayor
and Members of the Board of Aldermen
Town of Youngsville, Louisiana

We have audited the general purpose financial statements of the Town of Youngsville, Louisiana, as of and for the year ended June 30, 1996, and have issued our report thereon dated July 19, 1996.

We have 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 general purpose financial statements are free of material misstatement.

The elected officials of the Town of Youngsville, Louisiana are 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 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 of policies and procedures may deteriorate.

In planning and performing our audit of the general purpose financial statements of the Town of Youngsville, Louisiana, for the year ended June 30, 1996, 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.

We noted a certain matter involving the internal control structure and its operation that we consider to be a reportable condition under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect the entity's ability to record, process, summarize, and report financial data consistent with the assertions of management in the general purpose financial statements.

Inadequate Segregation of Accounting Functions

Finding:

Due to the small number of employees, the Town did not have adequate segregation of functions within the accounting system.

Recommendation:

Based upon the size of the operation and the cost-benefit of additional personnel, it may not be feasible to achieve complete segregation of duties.

Response:

No response is considered necessary.

A material weakness is a reportable 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 errors 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.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. We believe the reportable condition described above is a material weakness.

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

Darnall, Sikes, Kolder, Frederick & Rainey

A Corporation of Certified Public Accountants

Lafayette, Louisiana
July 19, 1996

DARNALL, SIKES, KOLDER, FREDERICK & RAINEY

(A CORPORATION OF CERTIFIED PUBLIC ACCOUNTANTS)

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE BASED ON AN AUDIT OF GENERAL PURPOSE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

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The Honorable Lucas Denais, Mayor,
and Members of the Board of Aldermen
Town of Youngsville, Louisiana

We have audited the general purpose financial statements of the Town of Youngsville, Louisiana, as of and for the year ended June 30, 1996, and have issued our report thereon dated July 19, 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 general purpose financial statements are free of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to the Town of Youngsville, Louisiana is the responsibility of the Town's elected officials. As part of obtaining reasonable assurance about whether the general purpose financial statements are free of material misstatement, we performed tests of the Town of Youngsville, Louisiana's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our audit of the general purpose financial statements 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 management. However, this report is a matter of public record and its distribution is not limited.

Darnall, Sikes, Kolder, Frederick & Rainey
A Corporation of Certified Public Accountants

Lafayette, Louisiana
July 19, 1996

OTHER SUPPLEMENTARY INFORMATION

TOWN OF YOUNGSVILLE, LOUISIANA
Enterprise Fund
Utility Fund

Schedule of Number of Utility Customers
(Unaudited)
June 30, 1996 and 1995

Records maintained by the Town indicated the following number of customers were being serviced during the month of June, 1996 and 1995:

<u>Department</u>	<u>1996</u>	<u>1995</u>
Water (metered)	719	660
Sewerage	675	636
Garbage	652	606

TOWN OF YOUNGSVILLE, LOUISIANA

Schedule of Insurance in Force
(Unaudited)

June 30, 1996

<u>Description of Coverage</u>	<u>Coverage Amounts</u>
Workmen's compensation: Employer's liability	Statutory \$100,000
Surety bonds:	
Lucas Denais, Mayor	170,331
Rebecca Langlinais, Town Clerk	170,331
Karen Romero, Secretary	100,000
Charles Langlinais, Town Manager	2,000
Earl Menard, Chief of Police	5,000
Automobile liability:	
Police	500,000
Town	500,000
Automobile comprehensive and collision coverage	63,985
Blanket coverage on buildings, contents and machinery	611,000
Law enforcement officer's liability	500,000
Public official's errors and omissions	500,000
General liability	500,000

Water		Sewerage		Sanitation	
1996	1995	1996	1995	1996	1995
\$154,528	\$140,971	\$113,549	\$104,063	\$69,682	\$53,094
24,911	19,685	3,123	2,952	1,216	1,062
<u>179,439</u>	<u>160,656</u>	<u>116,672</u>	<u>107,015</u>	<u>70,898</u>	<u>54,156</u>
25,104	26,013	6,276	6,503	-	-
2,714	2,227	678	558	-	-
-	-	1,191	1,320	-	-
14,234	10,225	5,251	3,940	-	-
-	-	27,600	27,600	-	-
16,035	12,454	14,892	14,889	-	-
7,770	6,915	2,220	1,640	-	-
11,456	10,776	7,638	7,184	-	-
3,644	3,550	2,490	1,666	-	-
13,465	11,975	10,516	12,972	-	-
-	-	-	-	61,993	48,618
527	741	-	-	-	-
29,990	31,053	31,249	29,826	-	-
3,100	-	-	-	-	-
761	-	-	-	-	-
1,496	700	-	-	-	-
<u>130,296</u>	<u>116,629</u>	<u>110,001</u>	<u>108,098</u>	<u>61,993</u>	<u>48,618</u>
\$ 49,143	\$ 44,027	\$ 6,671	\$ (1,083)	\$ 8,905	\$ 5,538
=====	=====	=====	=====	=====	=====

TOWN OF YOUNGSVILLE, LOUISIANA

Prior Year Audit Finding
June 30, 1996

During our audit of the June 30, 1995 general purpose financial statements, one (1) internal control finding was noted. The following indicates the June 30, 1995 finding and/or comment and the status as of June 30, 1996.

<u>Finding</u>	<u>Status at June 30, 1996</u>
Due to the small number of employees, the Town did not have adequate segregation of functions within the accounting system.	The Town may not be feasibly able to resolve this problem without hiring of additional personnel. This finding is again mentioned in our June 30, 1996 report.