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TOWN OF YOUNGSVILLE

Financial Report

Year Ended June 30, 1999

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Release Date **DEC 15 1999**

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MANAGEMENT LETTER

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

During our audit of the general purpose financial statements of the Town of Youngsville for the year ended June 30, 1999, we noted several areas in which improvements in the financial practices of the Town may be desirable.

- (1) The Town Council should implement a long-distance call security feature on all Town phones to avoid charges for unauthorized use. Department supervisors should approve employee telephone bills monthly after the new security feature is implemented.
- (2) The Mayor should evaluate the Town's need for cellular phones and the number of cellular phones issued for the size of the Town. All phone calls made on cellular phones should be made for the Town of Youngsville business only.
- (3) All travel and meal expenses must be properly documented before the Town of Youngsville can reimburse an employee with governmental funds. All receipts must be properly documented with all persons in attendance and the purpose of the expenditure.
- (4) The Town's water and sewer departments were operated at a loss for the year ended 6/30/99. Management should increase water and sewer rates and/or decrease expenses to comply with Utility Fund bond resolutions. Bond resolutions require the Town to provide for the receipt of adequate revenues to meet the requirements of debt service and the operation and maintenance of the water and sewer departments.

We would like to express our appreciation to you and your staff, particularly your office staff, for the courtesies and assistance rendered to us in the performance of our audit. Should you have any questions or need assistance please feel free to contact us.

Kolder, Champagne, Slaven & Rainey, LLC
Certified Public Accountants

Lafayette, Louisiana
September 21, 1999

MEMBER OF
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
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INDEPENDENT AUDITORS' REPORT

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 and for the year ended June 30, 1999, as listed in the table of contents. These general purpose financial statements are the responsibility of the Town of Youngsville, Louisiana'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, 1999, 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 year 2000 supplemental information (page 29) is required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplemental information. However, we did not audit the information and do not express an opinion on it. In addition, we do not provide assurance that the Town of Youngsville is or will become year 2000 compliant, that the Town's year 2000 remediation efforts will be successful in whole or in part, or that parties with which the Town does business are or will become year 2000 compliant.

The supplemental information (pages 30-66) is presented for purposes of additional analysis. 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 the general purpose financial statements taken as a whole.

In accordance with Government Auditing Standards, we have also issued a report dated September 21, 1999 on our consideration of the Town of Youngsville's internal control over financial reporting and on our tests of its compliance with laws, regulations, contracts and grants.

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.

Kolder, Champagne, Slaven & Rainey, LLC
Certified Public Accountants

Lafayette, Louisiana
September 21, 1999

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

TOWN OF YOUNGSVILLE, LOUISIANA
 Combined Balance Sheet - All Fund Types and Account Group
 June 30, 1999

	Governmental Fund Types		Proprietary Fund Type Enterprise	Fiduciary Fund Type Agency	Account Group	Totals	
	General	Special Revenue			General Fixed Assets	(Memorandum Only)	
						1999	1998
ASSETS AND OTHER DEBITS							
Cash	\$195,761	\$15,488	\$ 39,461	\$ 70,527	\$ -	\$ 321,237	\$ 345,300
Interest-bearing deposits, at cost	193,763	22,285	110,145	-	-	326,193	526,567
Receivables:							
Taxes	1,139	36,668	-	-	-	37,807	43,570
Accounts receivable	-	-	46,346	-	-	46,346	43,208
Unbilled utility receivables	-	-	18,177	-	-	18,177	20,575
Accrued interest receivable	2,528	367	431	-	-	3,326	20,075
Due from other funds	30,465	500	84,439	36,919	-	152,323	104,620
Restricted assets:							
Cash	-	-	38,721	-	-	38,721	61,045
Interest -bearing deposits, at cost	-	-	176,690	-	-	176,690	553,605
Land	-	-	-	-	29,111	29,111	4,111
Buildings	-	-	-	-	496,285	496,285	271,285
Improvements other than buildings	-	-	-	-	269,524	269,524	217,040
Equipment	-	-	-	-	352,582	352,582	332,431
Construction on progress	-	-	100,066	-	417,427	517,493	45,924
Utility property, plant and equipment	-	-	4,380,111	-	-	4,380,111	3,880,072
Accumulated depreciation	-	-	(1,474,660)	-	-	(1,474,660)	(1,356,962)
Total assets and other debits	\$423,656	\$75,308	\$3,519,927	\$107,446	\$1,564,929	\$5,691,266	\$5,112,466

(continued)

TOWN OF YOUNGSVILLE, LOUISIANA
 Combined Balance Sheet - All Fund Types and Account Group (Continued)
 June 30, 1999

	Governmental Fund Types		Proprietary Fund Type Enterprise	Fiduciary Fund Type Agency	Account Group General Fixed Assets	Totals (Memorandum Only)	
	General	Special Revenue				1999	1998
LIABILITIES AND FUND EQUITY							
Liabilities:							
Accounts payable	\$ 26,671	\$ -	\$ 15,315	\$ -	\$ -	\$ 41,986	\$ 59,263
Contacts payable	4,175	-	25,658	-	-	29,833	8,000
Retainage payable	37,621	-	40,093	-	-	77,714	21,161
Other liabilities	-	-	546	24,342	-	24,888	18,114
Payable from restricted assets -							
Revenue bonds	-	-	57,188	-	-	57,188	41,203
Accrued interest	-	-	10,891	-	-	10,891	20,985
Customers' deposits	-	-	42,020	-	-	42,020	34,850
Due to other funds	38,754	15,267	15,198	83,104	-	152,323	104,620
Revenue bonds payable	-	-	1,501,432	-	-	1,501,432	1,560,436
Total liabilities	<u>107,221</u>	<u>15,267</u>	<u>1,708,341</u>	<u>107,446</u>	<u>-</u>	<u>1,938,275</u>	<u>1,868,632</u>
Fund equity:							
Contributed capital	-	-	1,435,919	-	-	1,435,919	1,444,979
Investments in general fixed assets	-	-	-	-	1,564,929	1,564,929	870,791
Retained earnings -							
Reserved for debt retirement	-	-	104,264	-	-	104,264	109,817
Unreserved	-	-	271,403	-	-	271,403	350,275
Total retained earnings	<u>-</u>	<u>-</u>	<u>375,667</u>	<u>-</u>	<u>-</u>	<u>375,667</u>	<u>460,092</u>
Fund balances -							
Unreserved, undesignated	<u>316,435</u>	<u>60,041</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>376,476</u>	<u>467,972</u>
Total fund equity	<u>316,435</u>	<u>60,041</u>	<u>1,811,586</u>	<u>-</u>	<u>1,564,929</u>	<u>3,752,991</u>	<u>3,243,834</u>
Total liabilities and fund equity	<u>\$423,656</u>	<u>\$75,308</u>	<u>\$3,519,927</u>	<u>\$107,446</u>	<u>\$1,564,929</u>	<u>\$5,691,266</u>	<u>\$5,112,466</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 -
All Governmental Fund Types
Year Ended June 30, 1999

	General	Special Revenue	Totals (Memorandum Only)	
			1999	1998
Revenues:				
Taxes	\$ 423,569	\$285,726	\$ 709,295	\$643,251
Licenses and permits	155,961	-	155,961	120,368
Intergovernmental	335,502	-	335,502	22,255
Fines and forfeits	74,698	-	74,698	77,738
Miscellaneous	169,916	1,919	171,835	14,122
Total revenues	<u>1,159,646</u>	<u>287,645</u>	<u>1,447,291</u>	<u>877,734</u>
Expenditures:				
Current -				
General government	259,359	5,100	264,459	217,063
Public safety:				
Police	289,387	-	289,387	213,670
Fire	13,478	-	13,478	7,475
Streets and drainage	172,791	-	172,791	164,325
Capital outlay	772,530	-	772,530	159,281
Total expenditures	<u>1,507,545</u>	<u>5,100</u>	<u>1,512,645</u>	<u>761,814</u>
Excess (deficiency) of revenues over expenditures	<u>(347,899)</u>	<u>282,545</u>	<u>(65,354)</u>	<u>115,920</u>
Other financing sources (uses):				
Operating transfers in	322,602	-	322,602	199,026
Operating transfers out	<u>-</u>	<u>(348,744)</u>	<u>(348,744)</u>	<u>(311,223)</u>
Total other financing sources (uses)	<u>322,602</u>	<u>(348,744)</u>	<u>(26,142)</u>	<u>(112,197)</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>(25,297)</u>	<u>(66,199)</u>	<u>(91,496)</u>	<u>3,723</u>
Fund balances, beginning	<u>341,732</u>	<u>126,240</u>	<u>467,972</u>	<u>464,249</u>
Fund balances, ending	<u>\$ 316,435</u>	<u>\$ 60,041</u>	<u>\$ 376,476</u>	<u>\$467,972</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, 1999

	General Fund			Special Revenue Funds		
	Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)
Revenues:						
Taxes	\$ 407,655	\$ 423,569	\$ 15,914	\$274,000	\$285,726	\$ 11,726
Licenses and permits	134,302	155,961	21,659	-	-	-
Intergovernmental	336,869	335,502	(1,367)	-	-	-
Fines and forfeits	71,854	74,698	2,844	-	-	-
Miscellaneous	165,150	169,916	4,766	2,100	1,919	(181)
Total revenues	<u>1,115,830</u>	<u>1,159,646</u>	<u>43,816</u>	<u>276,100</u>	<u>287,645</u>	<u>11,545</u>
Expenditures:						
Current -						
General government	255,073	259,359	(4,286)	5,140	5,100	40
Public safety:						
Police	279,669	289,387	(9,718)	-	-	-
Fire	12,905	13,478	(573)	-	-	-
Streets and drainage	181,799	172,791	9,008	-	-	-
Capital outlay	744,548	772,530	(27,982)	-	-	-
Total expenditures	<u>1,473,994</u>	<u>1,507,545</u>	<u>(33,551)</u>	<u>5,140</u>	<u>5,100</u>	<u>40</u>
Excess (deficiency) of revenues over expenditures	<u>(358,164)</u>	<u>(347,899)</u>	<u>10,265</u>	<u>270,960</u>	<u>282,545</u>	<u>11,585</u>
Other financing sources (uses):						
Operating transfers in	363,550	322,602	(40,948)	-	-	-
Operating transfers out	-	-	-	(364,130)	(348,744)	15,386
Total other financing sources (uses)	<u>363,550</u>	<u>322,602</u>	<u>(40,948)</u>	<u>(364,130)</u>	<u>(348,744)</u>	<u>15,386</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	5,386	(25,297)	(30,683)	(93,170)	(66,199)	26,971
Fund balances, beginning	<u>341,732</u>	<u>341,732</u>	<u>-</u>	<u>126,240</u>	<u>126,240</u>	<u>-</u>
Fund balances, ending	<u>\$ 347,118</u>	<u>\$ 316,435</u>	<u>\$(30,683)</u>	<u>\$ 33,070</u>	<u>\$ 60,041</u>	<u>\$ 26,971</u>

The accompanying notes are an integral part of this statement.

TOWN OF YOUNGSVILLE, LOUISIANA

Comparative Statement of Revenues, Expenses, and Changes in Retained Earnings
 Proprietary Fund Type
 Years Ended June 30, 1999 and 1998

	<u>1999</u>	<u>1998</u>
Operating revenues:		
Charges for services -		
Water sales	\$208,594	\$185,251
Sewer service charges	145,545	131,264
Sanitation charges	107,856	91,967
Miscellaneous	42,488	42,235
Total operating revenues	<u>504,483</u>	<u>450,717</u>
Operating expenses:		
Water department	258,050	176,708
Sewerage department	226,348	166,135
Sanitation department	89,958	87,115
Total operating expenses	<u>574,356</u>	<u>429,958</u>
Operating income (loss)	<u>(69,873)</u>	<u>20,759</u>
Nonoperating revenues (expenses):		
Bad debts recovered	154	68
Interest income	9,831	12,879
Interest expense	(89,636)	(67,482)
Paying agent fees	(1,275)	(3,048)
Amortization - bond issue cost	<u>(1,337)</u>	<u>(1,337)</u>
Total nonoperating revenues (expenses)	<u>(82,263)</u>	<u>(58,920)</u>
Loss before operating transfers	<u>(152,136)</u>	<u>(38,161)</u>
Operating transfers in (out):		
Operating transfers in	348,744	311,223
Operating transfers out	<u>(322,602)</u>	<u>(199,026)</u>
Total operating transfers in (out)	<u>26,142</u>	<u>112,197</u>
Net income (loss)	(125,994)	74,036
Add: Depreciation on fixed assets acquired by capital grants that reduces contributed capital from capital grants	<u>41,569</u>	<u>33,118</u>
Increase (decrease) in retained earnings	(84,425)	107,154
Retained earnings, beginning	<u>460,092</u>	<u>352,938</u>
Retained earnings, ending	<u>\$375,667</u>	<u>\$460,092</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, 1999 and 1998

	<u>1999</u>	<u>1998</u>
Cash flows from operating activities:		
Operating income (loss)	<u>\$(69,873)</u>	<u>\$ 20,759</u>
Adjustments to reconcile operating income to net cash provided by operating activities -		
Depreciation	117,698	67,562
Changes in assets and liabilities:		
Increase in accounts receivable	(3,138)	(10,330)
Increase in due from other funds	(36,861)	(20,298)
(Increase) decrease in unbilled utility receivables	2,398	(5,062)
(Increase) decrease in other receivables	13,568	(13,568)
Increase (decrease) in accounts payable	(11,531)	2,290
Increase in due to other funds	9,460	-
Increase in other accrued liabilities	<u>36,558</u>	<u>35,800</u>
Total adjustments	<u>128,152</u>	<u>56,394</u>
Net cash provided by operating activities	<u>58,279</u>	<u>77,153</u>
Cash flows from noncapital financing activities:		
Operating transfers in from other funds	348,744	311,223
Operating transfers out to other funds	(322,602)	(199,026)
Bad debt recoveries	<u>154</u>	<u>68</u>
Net cash provided by noncapital financing activities	<u>26,296</u>	<u>112,265</u>
Cash flows from capital and related financing activities:		
Interest paid on revenue bonds and sewer upgrade loan	(99,730)	(57,825)
Principal paid on revenue bonds	(44,358)	(15,000)
Proceeds from sewer upgrade loan	-	431,453
Principal paid on sewer upgrade loan	-	(466,651)
Proceeds from the issuance of revenue bonds	-	1,156,000
Receipts from capital grants	32,509	169,000
Paying agent fees	(1,275)	(3,048)
Payment for bond issuance costs	-	(19,743)
Acquisition of property, plant and equipment	(600,104)	(902,506)
Net proceeds from customer deposits	<u>7,170</u>	<u>5,280</u>
Net cash provided (used) by capital and related financing activities	<u>(705,788)</u>	<u>296,960</u>
Cash flows from investing activities:		
Net increase (decrease) in interest-bearing deposits	159,869	(9,431)
Interest received on interest-bearing deposits	<u>12,978</u>	<u>13,489</u>
Net cash provided by investing activities	<u>172,847</u>	<u>4,058</u>

(continued)

TOWN OF YOUNGSVILLE, LOUISIANA

Comparative Statement of Cash Flows
 Proprietary Fund Type (Continued)
 Years Ended June 30, 1999 and 1998

	<u>1999</u>	<u>1998</u>
Net increase (decrease) in cash and cash equivalents	(448,366)	490,436
Cash and cash equivalents, beginning of period	<u>813,383</u>	<u>322,947</u>
Cash and cash equivalents, end of period	<u>\$ 365,017</u>	<u>\$ 813,383</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	126,988	115,580
Cash - restricted	439,491	34,756
Interest-bearing deposits - unrestricted	242,785	224,852
Interest-bearing deposits - restricted	163,988	98,197
Less: Interest-bearing deposits with a maturity over three months	<u>(159,869)</u>	<u>(150,438)</u>
Total cash and cash equivalents	<u>813,383</u>	<u>322,947</u>
Cash and cash equivalents, end of period -		
Cash - unrestricted	39,461	126,988
Cash - restricted	38,721	439,491
Interest-bearing deposits - unrestricted	110,145	242,785
Interest-bearing deposits - restricted	176,690	163,988
Less: Interest-bearing deposits with a maturity over three months	<u>-</u>	<u>(159,869)</u>
Total cash and cash equivalents	<u>365,017</u>	<u>813,383</u>
Net increase (decrease)	<u>\$(448,366)</u>	<u>\$ 490,436</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 (Town) 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, published by the American Institute of Certified Public Accountants. The Town's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements. Proprietary funds apply Financial Accounting Standards (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements in which case, GASB prevails.

The following is a summary of certain significant accounting policies:

A. Financial Reporting Entity

This report includes all funds and account groups that 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. 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 five generic fund and account group types and four broad categories as follows:

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.

TOWN OF YOUNGSVILLE, LOUISIANA

Notes to Financial Statements (Continued)

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.

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.

Account Group -

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.

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.

TOWN OF YOUNGSVILLE, LOUISIANA

Notes to Financial Statements (Continued)

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.

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.

TOWN OF YOUNGSVILLE, LOUISIANA

Notes to Financial Statements (Continued)

F. Statement of Cash Flows

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

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 interest-bearing deposits) 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, 1999.

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, 1999, there were no assets under construction that 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 bonds.

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, 1999.

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.

TOWN OF YOUNGSVILLE, LOUISIANA

Notes to Financial Statements (Continued)

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.

(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 law and national banks having principal offices in Louisiana. At June 30, 1999, the Town had cash and interest-bearing deposits (book balances) totaling \$862,841 as follows:

Demand deposits	\$ 359,958
Money market accounts	151,099
Time deposits	<u>351,784</u>
Total	<u>\$ 862,841</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, 1999 were secured as follows:

Bank balances	<u>\$ 873,186</u>
Securities pledged (Category 3)	\$ 673,186
Federal deposit insurance	<u>200,000</u>
Total securities pledged and federal deposit insurance	<u>\$ 873,186</u>

TOWN OF YOUNGSVILLE, LOUISIANA

Notes to Financial Statements (Continued)

(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 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, 1999, taxes of 11.43 mills were levied on property with assessed valuations totaling \$6,220,030 and were dedicated as follows:

General corporate purposes	4.76 mills
Street improvements	2.57 mills
Drainage improvements	2.57 mills
Fire protection	<u>1.53</u> mills
Total	<u>11.43</u> mills

Total taxes levied were \$71,095. Ad valorem taxes receivable at June 30, 1999 amounted to \$1,139.

(4) Interfund Receivables/Payables

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$ 30,465	\$ 38,754
Special Revenue Fund:		
1968 Sales Tax Fund	500	15,267
Proprietary Fund:		
Utility Fund	84,439	15,198
Agency Fund:		
Payroll fund	<u>36,919</u>	<u>83,104</u>
Totals	<u>\$152,323</u>	<u>\$152,323</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>1999</u>	<u>1998</u>
Cash with paying agent	\$ 360	\$ 360
Revenue bond and interest sinking account	20,525	27,307
Revenue bond reserve account	114,047	109,753
Revenue bond contingency account	37,411	34,585
Customers' deposits	42,020	34,850
Sewer construction	-	11,169
Revenue bond construction fund	<u>1,048</u>	<u>396,626</u>
 Total restricted assets	 <u>\$215,411</u>	 <u>\$614,650</u>

(6) Fixed Assets

A summary of changes in general fixed assets follows:

	<u>Balance 7/01/98</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 6/30/99</u>
Land	\$ 4,111	\$ 25,000	\$ -	\$ 29,111
Buildings	271,285	225,000	-	496,285
Improvements other than buildings	217,040	52,484	-	269,524
Equipment	332,431	91,069	70,918	352,582
Construction in progress	<u>45,924</u>	<u>417,427</u>	<u>45,924</u>	<u>417,427</u>
 Total general fixed assets	 <u>\$870,791</u>	 <u>\$810,980</u>	 <u>\$116,842</u>	 <u>\$1,564,929</u>

Construction in progress of \$417,427 at June 30, 1999 consisted of engineering fees and construction costs for several street overlay projects.

TOWN OF YOUNGSVILLE, LOUISIANA

Notes to Financial Statements (Continued)

A summary of proprietary fund type property, plant and equipment at June 30, 1999 follows:

Land - sewer system	\$ 81,829
Water system	1,783,129
Sewer system	2,270,658
Machinery and equipment	244,495
Construction in progress	<u>100,066</u>
Total	4,480,177
Less: Accumulated depreciation	<u>(1,474,660)</u>
Net Utility Fund property, plant and equipment	<u><u>\$3,005,517</u></u>

Construction in progress of \$100,066 at June 30, 1999 consisted of engineering fees and construction costs for the following projects: pump station project, \$7,951; waterline extension projects, \$82,182; and a sewer project, \$9,933.

(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, 1999:

	<u>Revenue Bonds and Certificates</u>
Long-term debt payable, July 1, 1998	\$1,626,000
Long-term debt issued	-
Long-term debt retired	<u>(44,358)</u>
Long-term debt payable, June 30, 1999	<u><u>\$1,581,642</u></u>

TOWN OF YOUNGSVILLE, LOUISIANA

Notes to Financial Statements (Continued)

Long-term debt payable at June 30, 1999 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 \$5,000 to \$12,000 through May 4, 2019; interest at 5 percent.	\$ 155,000
\$350,000 1994 Water Revenue Bonds, dated May 19, 1994; due in annual installments of \$12,000 to \$30,000 through May 1, 2014; interest at 6.5 percent.	300,000
\$456,000 1998 Sewer Utility Revenue Bonds, dated January 20, 1998; monthly installments of \$3,073 from February 20, 1999 through January 20, 2018; interest at 4.875 percent.	446,642
\$700,000 1997 Water Revenue Bonds, dated December 1, 1997; due in annual installments of \$25,000 to \$60,000 through May 1, 2017; interest at 5.75 percent.	<u>680,000</u>
Total	1,581,642
Less: Unamortized issuance costs	<u>(23,022)</u>
	<u><u>\$1,558,620</u></u>

TOWN OF YOUNGSVILLE, LOUISIANA

Notes to Financial Statements (Continued)

The annual requirements to amortize all debt outstanding at June 30, 1999, including interest payments of \$936,023 are as follows:

<u>Year ending June 30,</u>	<u>Revenue Bonds and Certificates</u>
2000	\$ 145,231
2001	143,764
2002	142,231
2003	140,633
2004	144,971
2005-2009	711,504
2010-2014	713,221
2015-2019	<u>376,108</u>
	<u><u>\$2,517,665</u></u>

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

Revenue Bonds:

- A. 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.

- B. Under the terms of the bond indentures on outstanding Water Revenue Bonds dated May 1, 1994, all income and revenues (hereinafter referred to as revenue) of every nature, earned or derived from operation of the Waterworks 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.

- C. Under the terms of the bond indentures on outstanding Sewer Utility Revenue Bonds dated January 20, 1998, 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", \$1,853 until December 20, 1998 and \$3,073, thereafter, until December 20, 2018, 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.

Each month there shall also be set aside into a "Bond Reserve Fund" at a rate of \$93 until December 20, 1998 and \$154, thereafter, until December 20, 2018 to be paid until there shall have been accumulated in the Reserve Account an amount equal to \$36,881. 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 \$159 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.

- D. Under the terms of the bond indentures on outstanding Water Revenue Bonds dated December 1, 1997, all income and revenues (hereinafter referred to as revenue) of every nature, earned or derived from operation of the Waterworks 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, 1999, with the exception of the requirement to provide for the receipt of adequate revenues to meet the requirements of debt service.

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, 1999 and 1998 amounted to \$28,923 and \$22,891 respectively.

TOWN OF YOUNGSVILLE, LOUISIANA

Notes to Financial Statements (Continued)

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 of Louisiana (System)

Plan Description - All full-time police department employees engaged in law enforcement are eligible to participate in the System. Employees who retire at or after age 50 with at least 20 years of creditable service or at or after age 55 with at least 12 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3 1/3% of their final-average salary for each year of creditable service. Final average salary is the employee's average salary over 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Municipal Police Employees Retirement System of Louisiana, 8401 United Plaza Boulevard, Baton Rouge, Louisiana 70809-2250, or by calling (225) 929-7411.

Funding Policy - Plan members are required by state statute to contribute 7.5% of their annual covered salary and the Town is required to contribute at an actuarially determined rate. The current rate is 9.0% of annual covered payroll. The contribution requirements of plan members and the Town are established and may be amended by state statute. As provided by R.S. 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Town contributions to the System for the years ending June 30, 1999, 1998, and 1997 were \$6,607, \$5,452, and \$4,551, respectively, equal to the required contributions for each year.

(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 (1999 collections \$285,726; 1998 \$261,909) are dedicated to the following purposes:

TOWN OF YOUNGSVILLE, LOUISIANA

Notes to Financial Statements (Continued)

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 of the Town in the manner authorized in the Louisiana Revised Statutes. As of June 30, 1999, 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 (1999 collections \$285,726; 1998 \$261,909) 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, 1999 was as follows:

	<u>Water</u> <u>Department</u>	<u>Sewerage</u> <u>Department</u>	<u>Sanitation</u> <u>Department</u>	<u>Total</u> <u>Enterprise</u> <u>Fund</u>
Operating revenues	\$244,690	\$149,691	\$110,102	\$504,483
Operating expenses	<u>258,050</u>	<u>226,348</u>	<u>89,958</u>	<u>574,356</u>
Operating income (loss)	<u>\$ (13,360)</u>	<u>\$ (76,657)</u>	<u>\$ 20,144</u>	<u>\$ (69,873)</u>

(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 are 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	\$ 129,339	\$ 1,886,184	\$ 27,787	\$ 2,211,348
Less:					
Accumulated amortization	<u>-</u>	<u>(1,250)</u>	<u>(774,179)</u>	<u>-</u>	<u>(775,429)</u>
Net contributed capital	<u>\$ 168,038</u>	<u>\$ 128,089</u>	<u>\$ 1,112,005</u>	<u>\$ 27,787</u>	<u>\$ 1,435,919</u>

(14) Compensation of Town Officials

A detail of compensation paid to the Mayor and Board of Aldermen for the year ended June 30, 1999 follows:

Lucas Denais, Mayor	\$14,862
Aldermen:	
Wilson Viator	1,895
Paul Huval	3,249
Kathleen Cart	1,895
Jesse Vallot	3,249
George Knox	1,895
Yvonne King	1,354
Paul Huey Romero	1,354
Brenda Broussard	<u>1,354</u>
	<u>\$31,107</u>

TOWN OF YOUNGSVILLE, LOUISIANA

Notes to Financial Statements (Continued)

(15) Risk Management

The Town is exposed to risks of loss in the areas of health care, general and auto liability, property hazards and workers' compensation. All of these risks are handled by purchasing commercial insurance coverage. There have been no significant reductions in the insurance coverage during the year.

(16) Defined Contribution Plan

As of June 1, 1999, the Town of Youngsville established a defined contribution SIMPLE IRA plan to provide benefits at retirement to town employees. All employees are eligible to participate in the plan upon commencement of employment. At June 30, 1999, there were 23 plan members. Plan members are not required to contribute to the plan. The Town is required to contribute 2% of annual covered payroll. The current year's covered payroll was \$25,000 and the Town contributed \$500 to the plan. Plan provisions and contribution requirements are established and may be amended by the Town Council.

SUPPLEMENTAL INFORMATION

TOWN OF YOUNGSVILLE, LOUISIANA

Impact of Year 2000 on Computer Programs (Unaudited)

Impact of Year 2000 on Computer Programs (Unaudited)

The Year 2000 issue is the result of computer programs being written using two digits rather than four to define the applicable year. Any of the Town's computer programs that have time sensitive software may recognize a date using "00" as the year 1900 rather than the year 2000. This could result in a system failure or miscalculations causing disruptions of operations, including among other things, a temporary inability to process transactions or engage in similar normal business activities.

The Town has completed an inventory of computer systems and other electronic equipment that may be affected by the year 2000 issue, that are necessary to conducting Town operations and have identified such systems as being the Town's network of personal computers used for financial reporting purposes and the utility billing system.

- The Town of Youngsville's system and personal computers have been assessed, remediated, and validated.
- The Town's utility billing software was remediated by a vendor. Testing and validation was performed and results were acceptable.

Funds expended on this project were obtained from a local grant. The project was completed as of June 30, 1999.

Because of the unprecedented nature of the Year 2000 issue, its effects and the success of related remediation efforts will not be fully determinable until the year 2000 and thereafter. Management cannot assure that the Town is or will be Year 2000 ready, that the Town's remediation efforts will be successful in whole or in part, or that parties with whom the Town does business will be year 2000 ready. The Town is utilizing external resources to identify and test the systems for Year 2000 compliance.

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, 1999 and 1998

	<u>1999</u>	<u>1998</u>
ASSETS		
Cash	\$195,761	\$182,010
Interest-bearing deposits, at cost	193,763	199,295
Receivables:		
Ad valorem taxes receivable	1,139	723
Accrued interest receivable	2,528	2,306
Due from other funds	<u>30,465</u>	<u>24,096</u>
 Total assets	 <u>\$423,656</u>	 <u>\$408,430</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable	\$ 26,671	\$ 32,417
Contracts payable	4,175	-
Retainage payable	37,621	-
Due to other funds	<u>38,754</u>	<u>34,281</u>
Total liabilities	107,221	66,698
 Fund balance - unreserved and undesignated	 <u>316,435</u>	 <u>341,732</u>
 Total liabilities and fund balance	 <u>\$423,656</u>	 <u>\$408,430</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, 1999
With Comparative Actual Amounts for Year Ended June 30, 1998

	1999		Variance - Favorable (Unfavorable)	1998 Actual
	Budget	Actual		
Revenues:				
Taxes	\$ 407,655	\$ 423,569	\$15,914	\$381,342
Licenses and permits	134,302	155,961	21,659	120,368
Intergovernmental	336,869	335,502	(1,367)	22,255
Fines and forfeits	71,854	74,698	2,844	77,738
Miscellaneous	165,150	169,916	4,766	10,168
Total revenues	<u>1,115,830</u>	<u>1,159,646</u>	<u>43,816</u>	<u>611,871</u>
Expenditures:				
General government	255,073	259,359	(4,286)	213,210
Public safety -				
Police	279,669	289,387	(9,718)	213,670
Fire	12,905	13,478	(573)	7,475
Streets and drainage	181,799	172,791	9,008	164,325
Capital outlay	744,548	772,530	(27,982)	159,281
Total expenditures	<u>1,473,994</u>	<u>1,507,545</u>	<u>(33,551)</u>	<u>757,961</u>
Deficiency of revenues over expenditures	(358,164)	(347,899)	(10,265)	(146,090)
Other financing source:				
Transfer from Utility Fund	<u>363,550</u>	<u>322,602</u>	<u>40,948</u>	<u>199,026</u>
Excess (deficiency) of revenues and other source over expenditures	5,386	(25,297)	30,683	52,936
Fund balance, beginning	<u>341,732</u>	<u>341,732</u>	-	<u>288,796</u>
Fund balance, ending	<u>\$ 347,118</u>	<u>\$ 316,435</u>	<u>\$30,683</u>	<u>\$341,732</u>

TOWN OF YOUNGSVILLE, LOUISIANA
General Fund

Statement of Revenues Compared to Budget (GAAP Basis)
Year Ended June 30, 1999
With Comparative Actual Amounts for Year Ended June 30, 1998

	1999		Variance - Favorable (Unfavorable)	1998 Actual
	Budget	Actual		
Taxes:				
Sales taxes	\$ 274,000	\$ 285,726	\$11,726	\$261,909
Ad valorem	66,089	70,102	4,013	54,456
Franchise - electric	55,332	55,507	175	54,236
Franchise - gas	6,023	6,023	-	5,701
Franchise - cable tv	6,211	6,211	-	5,040
	<u>407,655</u>	<u>423,569</u>	<u>15,914</u>	<u>381,342</u>
Licenses and permits:				
Occupational licenses	5,525	5,800	275	6,400
Insurance occupational licenses	53,827	71,621	17,794	66,353
Codes and permits	74,950	78,540	3,590	47,615
	<u>134,302</u>	<u>155,961</u>	<u>21,659</u>	<u>120,368</u>
Intergovernmental:				
Federal grant -				
Cops Fast Award Grant	12,500	12,500	-	6,250
Community Development Block Grant	270,774	270,774	-	-
State of Louisiana -				
Tobacco taxes	6,217	6,217	-	6,217
Beer taxes	4,278	3,413	(865)	2,904
Video Poker	5,025	4,523	(502)	6,884
Police equipment grant	3,076	3,076	-	-
Fire department equipment grant	25,000	25,000	-	-
Local grant -				
Lafayette Economic Development Authority	9,999	9,999	-	-
	<u>336,869</u>	<u>335,502</u>	<u>(1,367)</u>	<u>22,255</u>
Fines and forfeits:				
Fines and court costs	71,854	74,698	2,844	77,738
Miscellaneous:				
Interest on interest-bearing accounts	8,000	9,592	1,592	8,516
Donations	150,000	150,000	-	-
Other sources	7,150	10,324	3,174	1,652
	<u>165,150</u>	<u>169,916</u>	<u>4,766</u>	<u>10,168</u>
Total revenues	<u><u>\$1,115,830</u></u>	<u><u>\$1,159,646</u></u>	<u><u>\$43,816</u></u>	<u><u>\$611,871</u></u>

TOWN OF YOUNGSVILLE, LOUISIANA
General Fund

Statement of Expenditures Compared to Budget (GAAP Basis)
Year Ended June 30, 1999
With Comparative Actual Amounts for Year Ended June 30, 1998

	1999			1998 Actual
	Budget	Actual	Variance - Favorable (Unfavorable)	
General government:				
Administrative -				
Compensation - mayor and council	\$34,019	\$31,107	\$ 2,912	\$28,234
Other salaries	64,343	67,194	(2,851)	58,564
Payroll taxes and retirement	9,528	8,890	638	7,799
Group insurance	17,923	17,924	(1)	11,537
Utilities and telephone	10,451	12,393	(1,942)	6,479
Mayor's expense	100	703	(603)	730
Advertising	6,275	5,944	331	2,674
Repairs and maintenance	4,757	4,355	402	4,737
Inspection fees	17,819	19,625	(1,806)	11,333
Dues and publications	749	749	-	310
Professional fees	16,247	16,964	(717)	12,072
General insurance	16,176	19,808	(3,632)	15,773
Office supplies	16,925	16,990	(65)	17,203
Janitorial expense	5,728	5,639	89	3,585
Uniform expense	550	549	1	102
Community relations	6,200	7,217	(1,017)	5,808
Sales tax collection expense	1,400	1,400	-	1,226
Annexation	7,125	6,082	1,043	13,049
Engineering	5,420	5,802	(382)	1,344
Donation to library	810	825	(15)	907
Miscellaneous	7,170	4,066	3,104	3,711
Total administrative	<u>249,715</u>	<u>254,226</u>	<u>(4,511)</u>	<u>207,177</u>
Magistrate court -				
Salaries	2,613	2,580	33	4,464
Legal fees	2,745	2,553	192	1,569
Total magistrate court	<u>5,358</u>	<u>5,133</u>	<u>225</u>	<u>6,033</u>
Total general government	<u>255,073</u>	<u>259,359</u>	<u>(4,286)</u>	<u>213,210</u>

(continued)

TOWN OF YOUNGSVILLE, LOUISIANA
General Fund

Statement of Expenditures Compared to Budget (GAAP Basis) (Continued)
Year Ended June 30, 1999
With Comparative Actual Amounts for Year Ended June 30, 1998

	1999		Variance - Favorable (Unfavorable)	1998 Actual
	Budget	Actual		
Public safety:				
Police -				
Salaries	154,008	161,633	(7,625)	119,877
Payroll taxes and retirement	17,897	18,281	(384)	15,376
Group insurance	17,305	18,748	(1,443)	12,361
Repairs and maintenance	21,180	16,830	4,350	10,237
Office supplies and expense	11,283	10,415	868	6,159
Dues and subscriptions	616	616	-	355
Telephone and utilities	7,216	7,795	(579)	4,505
Insurance	10,783	13,205	(2,422)	10,515
Auto expense	14,467	14,831	(364)	11,267
Uniforms and supplies	9,561	7,914	1,647	6,006
Equipment rental	2,060	2,731	(671)	2,141
Marshall's expense	3,934	3,681	253	3,525
Janitorial expense	723	703	20	600
Act 474, 152 and 562 expense	4,462	5,282	(820)	4,083
Training	2,500	2,410	90	1,620
Community relations	250	2,259	(2,009)	384
Contract labor	729	608	121	2,618
Miscellaneous	695	1,445	(750)	2,041
Total police	<u>279,669</u>	<u>289,387</u>	<u>(9,718)</u>	<u>213,670</u>
Fire -				
Donation to volunteer <i>fire department</i>	7,200	6,700	500	4,200
Professional fees	3,350	4,815	(1,465)	3,275
Repairs and maintenance	520	434	86	-
Miscellaneous	1,835	1,529	306	-
Total fire	<u>12,905</u>	<u>13,478</u>	<u>(573)</u>	<u>7,475</u>
Total public safety	<u>292,574</u>	<u>302,865</u>	<u>(10,291)</u>	<u>221,145</u>

(continued)

TOWN OF YOUNGSVILLE, LOUISIANA
General Fund

Statement of Expenditures Compared to Budget (GAAP Basis) (Continued)
Year Ended June 30, 1999
With Comparative Actual Amounts for Year Ended June 30, 1998

	1999			
	Budget	Actual	Variance - Favorable (Unfavorable)	1998 Actual
Highways and streets:				
Salaries	15,600	15,600	-	14,219
Payroll taxes	1,438	1,315	123	1,177
Supplies, materials and repairs	84,423	75,242	9,181	124,998
Auto and truck expense	27,850	27,920	(70)	4,676
Street lighting	17,556	17,935	(379)	17,405
Park expense	1,876	360	1,516	-
Consultant fees	20,000	21,600	(1,600)	-
Engineering fees	11,690	10,369	1,321	482
Miscellaneous	1,366	2,450	(1,084)	1,368
Total streets and drainage	<u>181,799</u>	<u>172,791</u>	<u>9,008</u>	<u>164,325</u>
Capital outlay:				
General government -				
Building and land	251,677	250,000	1,677	-
Equipment	12,275	14,229	(1,954)	1,175
Public safety -				
Police equipment	4,330	13,697	(9,367)	70,964
Fire equipment	25,000	25,488	(488)	-
Streets and drainage -				
Equipment	39,919	51,689	(11,770)	87,142
Street and drainage projects	411,347	417,427	(6,080)	-
Total capital outlay	<u>744,548</u>	<u>772,530</u>	<u>(27,982)</u>	<u>159,281</u>
Total expenditures	<u>\$1,473,994</u>	<u>\$1,507,545</u>	<u>\$ (33,551)</u>	<u>\$757,961</u>

SPECIAL REVENUE FUNDS

1968 Sales Tax Fund -

To account for the receipt and use of proceeds of the Town's 1968 1% sales and use tax approved by the voters April 27, 1968. These taxes are dedicated to constructing, acquiring, extending, improving and/or maintaining waterworks, sewers and sewerage disposal facilities, 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 Funds

Comparative Balance Sheet
June 30, 1999
With Comparative Totals For June 30, 1998

	Totals	
	1999	1998
ASSETS		
Cash	\$15,488	\$ 24,671
Interest-bearing deposits, at cost	22,285	75,954
Receivables:		
Taxes receivable	36,668	42,847
Accrued interest receivable	367	626
Due from other funds	500	500
 Total assets	 \$75,308	 \$144,598
LIABILITIES AND FUND BALANCES		
Liabilities:		
Due to other funds	\$15,267	\$ 18,358
 Fund balance - unreserved and undesignated	 60,041	 126,240
 Total liabilities and fund balance	 \$75,308	 \$144,598

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, 1999
With Comparative Actual Amounts for Year Ended June 30, 1998

	1999		Variance - Favorable (Unfavorable)	1998 Actual
	Budget	Actual		
Revenues:				
Taxes	\$274,000	\$285,726	\$11,726	\$261,909
Miscellaneous - interest	2,100	1,919	(181)	3,954
Total revenues	<u>276,100</u>	<u>287,645</u>	<u>11,545</u>	<u>265,863</u>
Expenditures:				
General government -				
Sales tax collection fees	1,400	1,400	-	1,226
Professional fees	3,690	3,700	(10)	2,565
Miscellaneous	50	-	50	62
Total expenditures	<u>5,140</u>	<u>5,100</u>	<u>40</u>	<u>3,853</u>
Excess of revenues over expenditures	270,960	282,545	11,585	262,010
Other financing use:				
Transfer to Utility Fund	<u>(364,130)</u>	<u>(348,744)</u>	<u>15,386</u>	<u>(311,223)</u>
Deficiency of revenues over expenditures and other use	(93,170)	(66,199)	26,971	(49,213)
Fund balance, beginning	<u>126,240</u>	<u>126,240</u>	<u>-</u>	<u>175,453</u>
Fund balance, ending	<u>\$ 33,070</u>	<u>\$ 60,041</u>	<u>\$26,971</u>	<u>\$126,240</u>

ENTERPRISE FUND

Utility Fund -

To account for the provision of water, sewerage and sanitation 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 and related debt service, and billing and collection.

TOWN OF YOUNGSVILLE, LOUISIANA
Enterprise Fund
Utility Fund

Comparative Balance Sheet
June 30, 1999 and 1998

	1999	1998
ASSETS		
Current assets:		
Cash	\$ 59,054	\$ 107,286
Interest-bearing deposits, at cost	90,552	251,318
Receivables -		
Accounts receivable	46,346	43,208
Unbilled utility receivables	18,177	20,575
Accrued interest receivable	431	17,143
Due from other funds	84,439	47,578
Total current assets	298,999	487,108
Restricted assets:		
Cash with paying agent	360	360
Revenue bond sinking fund -		
Cash	15,934	12,030
Interest-bearing deposits, at cost	4,591	15,277
Revenue bond reserve fund -		
Interest-bearing deposits, at cost	114,047	109,753
Revenue bond contingency fund -		
Interest-bearing deposits, at cost	37,411	34,585
Customers' deposits -		
Cash	22,427	26,317
Interest-bearing deposits, at cost	19,593	8,533
Construction fund:		
Sewer upgrade cash	-	11,169
Interest-bearing deposits, at cost	1,048	396,626
Total restricted assets	215,411	614,650
Property, plant and equipment, at cost, net of accumulated depreciation (1999 \$1,474,660; 1998 \$1,356,962)	3,005,517	2,523,110
Total assets	\$3,519,927	\$3,624,868

	<u>1999</u>	<u>1998</u>
LIABILITIES AND FUND EQUITY		
Liabilities:		
Current liabilities (payable from current assets) -		
Accounts payable	\$ 15,315	\$ 26,846
Contracts payable	25,658	8,000
Retainage payable	40,093	21,161
Other liabilities	546	578
Due to other funds	<u>15,198</u>	<u>5,738</u>
Total current liabilities (payable from current assets)	<u>96,810</u>	<u>62,323</u>
Current liabilities (payable from restricted assets) -		
Revenue bonds payable	57,188	41,203
Interest payable	10,891	20,985
Customers' deposits	<u>42,020</u>	<u>34,850</u>
Total current liabilities (payable from restricted assets)	<u>110,099</u>	<u>97,038</u>
Long-term liabilities -		
Revenue bonds payable	<u>1,501,432</u>	<u>1,560,436</u>
Total liabilities	<u>1,708,341</u>	<u>1,719,797</u>
Fund equity:		
Contributed capital -		
Municipality	168,038	168,038
State grants , net of accumulated amortization (1999 \$1,250; 1998 \$0)	128,089	119,339
Federal grants, net of accumulated amortization (1999 \$774,179; 1998 \$733,860)	1,112,005	1,129,815
Private organizations	<u>27,787</u>	<u>27,787</u>
Total contributed capital	<u>1,435,919</u>	<u>1,444,979</u>
Retained earnings -		
Reserved for debt retirement	104,264	109,817
Unreserved	<u>271,403</u>	<u>350,275</u>
Total retained earnings	<u>375,667</u>	<u>460,092</u>
Total fund equity	<u>1,811,586</u>	<u>1,905,071</u>
Total liabilities and fund equity	<u>\$3,519,927</u>	<u>\$3,624,868</u>

TOWN OF YOUNGSVILLE, LOUISIANA
Enterprise Fund
Utility Fund

Comparative Statement of Revenues, Expenses, and Changes in Retained Earnings
Years Ended June 30, 1999 and 1998

	<u>1999</u>	<u>1998</u>
Operating revenues:		
Charges for services -		
Water charges	\$208,594	\$185,251
Sewer charges	145,545	131,264
Sanitation charges	107,856	91,967
Miscellaneous	42,488	42,235
Total operating revenues	<u>504,483</u>	<u>450,717</u>
Operating expenses:		
Water department	258,050	176,708
Sewerage department	226,348	166,135
Sanitation department	89,958	87,115
Total operating expenses	<u>574,356</u>	<u>429,958</u>
Operating income (loss)	<u>(69,873)</u>	<u>20,759</u>
Nonoperating revenues (expenses):		
Bad debts recovered	154	68
Interest income	9,831	12,879
Interest expense	(89,636)	(67,482)
Paying agent fees	(1,275)	(3,048)
Amortization - bond issue cost	(1,337)	(1,337)
Total nonoperating revenues (expenses)	<u>(82,263)</u>	<u>(58,920)</u>
Loss before operating transfers	<u>(152,136)</u>	<u>(38,161)</u>
Operating transfers in (out):		
Operating transfers in	348,744	311,223
Operating transfers out	(322,602)	(199,026)
Total operating transfers in (out)	<u>26,142</u>	<u>112,197</u>
Net income (loss)	(125,994)	74,036
Add: Depreciation on fixed assets acquired by capital grants that reduces contributed capital from capital grants	<u>41,569</u>	<u>33,118</u>
Increase (decrease) in retained earnings	(84,425)	107,154
Retained earnings, beginning	<u>460,092</u>	<u>352,938</u>
Retained earnings, ending	<u>\$375,667</u>	<u>\$460,092</u>

TOWN OF YOUNGSVILLE, LOUISIANA

Comparative Statement of Operating Expenses by Department
Years Ended June 30, 1999 and 1998

	<u>1999</u>	<u>1998</u>
Water department:		
Salaries	\$ 75,868	\$ 46,648
Payroll taxes	6,396	3,862
Maintenance and repairs	27,505	16,275
Utilities	21,592	18,915
Professional fees	8,925	8,715
Engineering fees	-	7,941
Insurance	19,808	15,773
Office expense	3,018	3,046
Supplies and parts	40,055	13,607
Bad debts	-	1,659
Depreciation	51,629	35,290
Computer expense	300	55
Miscellaneous	2,954	4,922
Total water department	<u>258,050</u>	<u>176,708</u>
Sewerage department:		
Salaries	19,193	11,662
Payroll taxes	1,618	965
Sewer tests	4,565	3,300
Maintenance and repairs	33,167	18,522
Contract maintenance fees	29,910	29,280
Utilities	17,983	15,449
Professional fees	3,215	3,031
Engineering fees	4,585	7,465
Insurance	13,205	10,515
Office expense	1,295	468
Supplies and parts	31,142	33,206
Depreciation	66,069	32,272
Miscellaneous	401	-
Total sewerage department	<u>226,348</u>	<u>166,135</u>
Sanitation department:		
Garbage collection fees	<u>89,958</u>	<u>87,115</u>
Total operating expenses	<u><u>\$574,356</u></u>	<u><u>\$429,958</u></u>

TOWN OF YOUNGSVILLE, LOUISIANA
Enterprise Fund
Utility Fund

Comparative Statement of Cash Flows
Years Ended June 30, 1999 and 1998

	<u>1999</u>	<u>1998</u>
Cash flows from operating activities:		
Operating income (loss)	\$ (69,873)	\$ 20,759
Adjustments to reconcile operating income to net cash provided by operating activities -		
Depreciation	117,698	67,562
Changes in assets and liabilities:		
Increase in accounts receivable	(3,138)	(10,330)
Increase in due from other funds	(36,861)	(20,298)
(Increase) decrease in unbilled utility receivables	2,398	(5,062)
(Increase) decrease in other receivables	13,568	(13,568)
Increase (decrease) in accounts payable	(11,531)	2,290
Increase in due to other funds	9,460	-
Increase in other accrued liabilities	36,558	35,800
Total adjustments	<u>128,152</u>	<u>56,394</u>
Net cash provided by operating activities	<u>58,279</u>	<u>77,153</u>
Cash flows from noncapital financing activities:		
Operating transfers in from other funds	348,744	311,223
Operating transfers out to other funds	(322,602)	(199,026)
Bad debt recoveries	154	68
Net cash provided by noncapital financing activities	<u>26,296</u>	<u>112,265</u>
Cash flows from capital and related financing activities:		
Interest paid on revenue bonds and sewer upgrade loan	(99,730)	(57,825)
Principal paid on revenue bonds	(44,358)	(15,000)
Proceeds from sewer upgrade loan	-	431,453
Principal paid on sewer upgrade loan	-	(466,651)
Proceeds from the issuance of revenue bonds	-	1,156,000
Receipts from capital grants	32,509	169,000
Paying agent fees	(1,275)	(3,048)
Payment for bond issuance costs	-	(19,743)
Acquisition of property, plant and equipment	(600,104)	(902,506)
Net proceeds from customer deposits	7,170	5,280
Net cash provided (used) by capital and related financing activities	<u>(705,788)</u>	<u>296,960</u>
Cash flows from investing activities:		
Net increase (decrease) in interest-bearing deposits	159,869	(9,431)
Interest received on interest-bearing deposits	12,978	13,489
Net cash provided by investing activities	<u>172,847</u>	<u>4,058</u>

(continued)

TOWN OF YOUNGSVILLE, LOUISIANA
Enterprise Fund
Utility Fund

Comparative Statement of Cash Flows (Continued)
Years Ended June 30, 1999 and 1998

	<u>1999</u>	<u>1998</u>
Net increase (decrease) in cash and cash equivalents	(448,366)	490,436
Cash and cash equivalents, beginning of period	<u>813,383</u>	<u>322,947</u>
Cash and cash equivalents, end of period	<u>\$ 365,017</u>	<u>\$813,383</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	\$ 126,988	\$115,580
Cash - restricted	439,491	34,756
Interest-bearing deposits - unrestricted	242,785	224,852
Interest-bearing deposits - restricted	163,988	98,197
Less: Interest-bearing deposits with a maturity over three months	<u>(159,869)</u>	<u>(150,438)</u>
Total cash and cash equivalents	<u>813,383</u>	<u>322,947</u>
Cash and cash equivalents, end of period -		
Cash - unrestricted	39,461	126,988
Cash - restricted	38,721	439,491
Interest-bearing deposits - unrestricted	110,145	242,785
Interest-bearing deposits - restricted	176,690	163,988
Less: Interest-bearing deposits with a maturity over three months	<u>-</u>	<u>(159,869)</u>
Total cash and cash equivalents	<u>365,017</u>	<u>813,383</u>
Net increase (decrease)	<u>\$ (448,366)</u>	<u>\$490,436</u>

TOWN OF YOUNGSVILLE LOUISIANA
 Enterprise Fund
 Utility Fund

Schedule of Changes in Assets Restricted for Revenue Bond Debt Service
 Year Ended June 30, 1999

	Cash with Paying Agent	Bond and Interest Sinking	Reserve	Contingency	Total
Cash and interest-bearing deposits, July 1, 1998	\$ 360	\$27,307	\$109,753	\$34,585	\$ 172,005
Cash receipts:					
Transfer from bond and interest sinking	144,086	-	-	-	144,086
Transfer from operating account	-	138,554	1,948	2,214	142,716
Interest on interest-bearing deposits	-	25	2,346	612	2,983
Total cash receipts	144,086	138,579	4,294	2,826	289,785
Total cash and investments available	144,446	165,886	114,047	37,411	461,790
Cash disbursements:					
Principal payments	44,358	-	-	-	44,358
Interest payments	99,728	-	-	-	99,728
Transfer to paying agent	-	144,086	-	-	144,086
Paying agent fees	-	1,275	-	-	1,275
Total disbursements	144,086	145,361	-	-	289,447
Cash and interest-bearing deposits, June 30, 1999	\$ 360	\$20,525	\$114,047	\$37,411	\$ 172,343

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, 1999 and 1998

	<u>1999</u>	<u>1998</u>
ASSETS		
Cash	\$ 70,527	\$31,333
Due from other funds	<u>36,919</u>	<u>32,446</u>
 Total assets	 <u><u>\$107,446</u></u>	 <u><u>\$63,779</u></u>
LIABILITIES		
Accrued liabilities	\$ 24,342	\$17,536
Due to other funds	<u>83,104</u>	<u>46,243</u>
 Total liabilities	 <u><u>\$107,446</u></u>	 <u><u>\$63,779</u></u>

TOWN OF YOUNGSVILLE, LOUISIANA
 Agency Fund
 Payroll Fund

Statement of Changes in Assets and Liabilities
 Year Ended June 30, 1999

	<u>Balance 7/01/98</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance 6/30/99</u>
ASSETS				
Cash	\$31,332	\$440,760	\$401,565	\$ 70,527
Due from other funds	<u>32,447</u>	<u>313,233</u>	<u>308,761</u>	<u>36,919</u>
Total assets	<u>\$63,779</u>	<u>\$753,993</u>	<u>\$710,326</u>	<u>\$107,446</u>
LIABILITIES				
Accrued liabilities	\$17,536	\$400,361	\$393,555	\$ 24,342
Due to other funds	<u>46,243</u>	<u>132,000</u>	<u>95,139</u>	<u>83,104</u>
Total liabilities	<u>\$63,779</u>	<u>\$532,361</u>	<u>\$488,694</u>	<u>\$107,446</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, 1999 and 1998

	<u>1999</u>	<u>1998</u>
General fixed assets, at cost:		
Land	\$ 29,111	\$ 4,111
Buildings	496,285	271,285
Improvements other than buildings	269,524	217,040
Equipment	352,582	332,431
Construction in progress	<u>417,427</u>	<u>45,924</u>
 Total general fixed assets	 <u>\$1,564,929</u>	 <u>\$870,791</u>
Investment in general fixed assets:		
Property acquired from -		
General Fund revenues	\$1,507,320	\$812,983
Sales tax revenues	8,473	8,672
Utility Fund revenues	<u>49,136</u>	<u>49,136</u>
 Total investment in general fixed assets	 <u>\$1,564,929</u>	 <u>\$870,791</u>

TOWN OF YOUNGSVILLE, LOUISIANA

Statement of Changes in General Fixed Assets
Year Ended June 30, 1999

	<u>Land</u>	<u>Buildings</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	\$ 271,285	\$ 217,040	\$ 332,431	\$ 45,924	\$ 870,791
Additions	<u>25,000</u>	<u>225,000</u>	<u>52,484</u>	<u>91,069</u>	<u>417,427</u>	<u>810,980</u>
Total balances and additions	29,111	496,285	269,524	423,500	463,351	1,681,771
Deletions	-	-	-	(70,918)	(45,924)	(116,842)
General fixed assets, end of year	<u>\$29,111</u>	<u>\$496,285</u>	<u>\$269,524</u>	<u>\$352,582</u>	<u>\$417,427</u>	<u>\$1,564,929</u>

COMPLIANCE, INTERNAL CONTROL AND OTHER INFORMATION

KOLDER, CHAMPAGNE, SLAVEN & RAINEY, LLC

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

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, 1999, and have issued our report thereon dated September 21, 1999. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Town of Youngsville, Louisiana's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance that is required to be reported under Government Auditing Standards which is described in the accompanying summary schedule of current and prior year audit findings and corrective action plan as item 99-1(C).

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Town of Youngsville, Louisiana's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. However, we noted a certain matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the Town of Youngsville, Louisiana's ability to record, process, summarize and report financial data consistent with the assertions of management in the general purpose financial statements. The reportable condition is described in the accompanying summary schedule of current and prior year audit findings and corrective action plan as item 99-1(IC).

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 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 over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, 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.

Kolder, Champagne, Slaven & Rainey, LLC
Certified Public Accountants

Lafayette, Louisiana
September 21, 1999

TOWN OF YOUNGSVILLE, LOUISIANA

Summary Schedule of Current and Prior Year Audit Findings
and Corrective Action Plan
Year Ended June 30, 1999

Ref. No.	Fiscal Year Finding Initially Occurred	Description of finding	Corrective Action Taken	Corrective Action Planned	Name of Contact Person	Anticipated Completion Date
<u>CURRENT YEAR (6/30/99) --</u>						
<u>Compliance:</u>						
99-1 (C)	1999	The town's water and sewer departments were operated at a loss for the year ended June 30, 1999. Management should increase water and sewer rates and/or decrease expenses to comply with Utility Fund bond resolutions. Bond resolutions require the town to provide for the receipt of adequate revenues to meet the requirements of debt service and the operation and maintenance of the water and sewer departments.	No	Management intends to review the rate structure and operating expenses in each of these departments.	Becky Langlinais, Town Clerk	12/31/99
<u>Internal Control:</u>						
99-2 (IC)	Unknown	Due to the small number of employees, the Town of Youngsville did not have adequate segregation of functions within the accounting system.	N/A	No response is considered necessary.	Becky Langlinais, Town Clerk	N/A

(continued)

TOWN OF YOUNGSVILLE, LOUISIANA

Summary Schedule of Current and Prior Year Audit Findings
and Corrective Action Plan (Continued)
Year Ended June 30, 1999

<u>Ref. No.</u>	<u>Fiscal Year Finding Initially Occurred</u>	<u>Description of finding</u>	<u>Corrective Action Taken</u>	<u>Corrective Action Planned</u>	<u>Name of Contact Person</u>	<u>Anticipated Completion Date</u>
<u>Management Letter:</u> 99-3 (ML) Item 1	1999	The Town Council should implement a long-distance call security feature on all Town phones to avoid unauthorized use. Department supervisors should approve employee telephone bills monthly after the new security feature is implemented.	Yes	The Town implemented a security feature for long-distance calls before the issuance of this report.	Becky Langlinais, Town Clerk	Completed
99-4 (ML) Item 2	1999	The Mayor should evaluate the Town's need for cellular phones and the number of cellular phones issued for the size of the Town. All calls made on cellular phones should be made for the Town of Youngsville business only.	Yes	A new policy has been implemented in which all Town employees with cellular phones must identify personal calls on the monthly billing. Also, the Mayor has evaluated the number of cellular phones issued and reduced the number of Town cellular phones.	Becky Langlinais, Town Clerk	Completed
99-5 (ML) Item 3	1999	All travel and meal expenses must be properly documented and authorized.	Yes	A new policy has been implemented and new forms have been developed to properly document travel and meal expenses.	Becky Langlinais, Town Clerk	Completed
99-6 (ML) Item 4	1999	Same as item 99-1 (C) above.				

PRIOR YEAR (6/30/98) --

See 99-2(1C) above.

OTHER SUPPLEMENTARY INFORMATION

TOWN OF YOUNGSVILLE, LOUISIANA
Enterprise Fund
Utility Fund

Schedule of Number of Utility Customers
(Unaudited)
June 30, 1999 and 1998

Records maintained by the Town indicated the following number of customers were being served during the months of June, 1999 and 1998:

<u>Department</u>	<u>1999</u>	<u>1998</u>
Water (metered)	1143	1024
Sewerage	905	798
Garbage	1044	923

TOWN OF YOUNGSVILLE, LOUISIANA
Enterprise Fund
Utility Fund
Comparative Departmental Analysis of Revenues and Expenses
For the Years Ended June 30, 1999 and 1998

	Totals	
	1999	1998
Operating revenues:		
Customer service charges	\$461,995	\$408,482
Miscellaneous	42,488	42,235
Total operating revenues	504,483	450,717
Operating expenses:		
Salaries	95,061	58,310
Payroll taxes	8,014	4,827
Sewer tests	4,565	3,300
Maintenance and repairs	60,672	34,797
Contract maintenance fees	29,910	29,280
Utilities	39,575	34,364
Professional fees	12,140	11,746
Engineer fees	4,585	15,406
Insurance	33,013	26,288
Office expense	4,313	3,514
Supplies and parts	71,197	46,813
Garbage collection fees	89,958	87,115
Bad debts	-	1,659
Depreciation	117,698	67,562
Computer expense	300	55
Miscellaneous	3,355	4,922
Total operating expenses	574,356	429,958
Operating income (loss)	(69,873)	20,759
Non operating revenues:		
Bad debts	154	68
Interest income	9,831	12,879
Interest expense	(89,636)	(67,482)
Paying agent fees	(1,275)	(3,048)
Amortization - bond issue cost	(1,337)	(1,337)
Total nonoperating expenses	(82,263)	(58,920)
Loss before operating transfers	(152,136)	(38,161)
Operating transfers in (out):		
Operating transfers in	348,744	311,223
Operating transfers out	(322,602)	(199,026)
Total operating transfers in (out)	26,142	112,197
Net income (loss)	(125,994)	74,036
Add: Depreciation on fixed assets acquired with federal grant revenues externally restricted for capital acquisitions and construction that reduces contributed capital	41,569	33,118
Increase (decrease) in retained earnings	(84,425)	107,154
Retained earnings, beginning	460,092	352,938
Retained earnings, ending	\$375,667	\$460,092

Water		Sewerage		Sanitation	
1999	1998	1999	1998	1999	1998
\$208,594	\$185,251	\$145,545	\$131,264	\$107,856	\$ 91,967
36,096	37,109	4,146	3,528	2,246	1,598
<u>244,690</u>	<u>222,360</u>	<u>149,691</u>	<u>134,792</u>	<u>110,102</u>	<u>93,565</u>
75,868	46,648	19,193	11,662	-	-
6,396	3,862	1,618	965	-	-
-	-	4,565	3,300	-	-
27,505	16,275	33,167	18,522	-	-
-	-	29,910	29,280	-	-
21,592	18,915	17,983	15,449	-	-
8,925	8,715	3,215	3,031	-	-
-	7,941	4,585	7,465	-	-
19,808	15,773	13,205	10,515	-	-
3,018	3,046	1,295	468	-	-
40,055	13,607	31,142	33,206	-	-
-	-	-	-	89,958	87,115
-	1,659	-	-	-	-
51,629	35,290	66,069	32,272	-	-
300	55	-	-	-	-
2,954	4,922	401	-	-	-
<u>258,050</u>	<u>176,708</u>	<u>226,348</u>	<u>166,135</u>	<u>89,958</u>	<u>87,115</u>
<u>\$ (13,360)</u>	<u>\$ 45,652</u>	<u>\$ (76,657)</u>	<u>\$ (31,343)</u>	<u>\$ 20,144</u>	<u>\$ 6,450</u>

TOWN OF YOUNGSVILLE, LOUISIANA

Combined Schedule of Interest-Bearing Deposits
June 30, 1999

	<u>Term</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Amount</u>
<u>General Fund</u>				
Whitney Bank -				
Police Department:				
Certificate of deposit	90 days	8/31/99	3.75%	\$ 6,757
Certificate of deposit	90 days	8/21/99	3.75%	11,821
Certificate of deposit	90 days	8/20/99	3.75%	11,706
Certificate of deposit	90 days	8/30/99	3.75%	11,593
Certificate of deposit	90 days	7/27/99	3.75%	11,480
Certificate of deposit	180 days	8/30/99	3.96%	45,947
Certificate of deposit	180 days	11/3/99	3.96%	17,048
Certificate of deposit	365 days	8/21/99	4.90%	31,490
Certificate of deposit	180 days	7/28/99	3.96%	22,285
Fire Department:				
Certificate of deposit	180 days	11/3/99	3.96%	5,683
Certificate of deposit	90 days	9/03/99	3.75%	5,461
Street Department:				
Certificate of deposit	60 days	8/31/99	3.20%	6,423
Certificate of deposit	60 days	7/13/99	3.20%	6,069
Total General Fund				<u>193,763</u>
<u>Sales Tax Fund</u>				
Whitney Bank-				
Certificate of deposit	180 days	7/28/99	3.96%	<u>22,285</u>
Total Sales Tax Fund				<u>22,285</u>

(continued)

TOWN OF YOUNGSVILLE, LOUISIANA

Combined Schedule of Interest-Bearing Deposits (Continued)
June 30, 1999

	<u>Term</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Amount</u>
<u>Utility Fund</u>				
Whitney Bank-				
Interest-bearing deposits	N/A	N/A	various	\$176,690
Certificate of deposit	90 days	8/30/99	3.75%	34,779
Certificate of deposit	180 days	8/23/99	3.96%	15,202
Certificate of deposit	60 days	8/01/99	3.20%	14,846
Certificate of deposit	90 days	9/11/99	3.75%	25,725
Certificate of deposit	90 days	9/05/99	3.75%	6,490
Certificate of deposit	60 days	7/18/99	3.20%	6,015
Certificate of deposit	90 days	9/26/99	3.75%	7,088
Total Utility Fund				<u>286,835</u>
Total all funds				<u>\$502,883</u>

TOWN OF YOUNGSVILLE

Schedule of Insurance in Force
(Unaudited)
June 30, 1999

Description of Coverage	Coverage Amounts
Workmen's compensation: Employer's liability	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
Lisa Harmon, Secretary	5,000
Dianne McClelland, Secretary	15,000
Automobile liability	500,000
Automobile comprehensive and collision coverage	166,009
Blanket coverage on buildings, contents and machinery	674,300
Coverage on Flanders home	110,000
Law enforcement officer's liability	500,000
Public official's errors and omissions	500,000
General liability	500,000