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TOWN OF URANIA
LOUISIANA

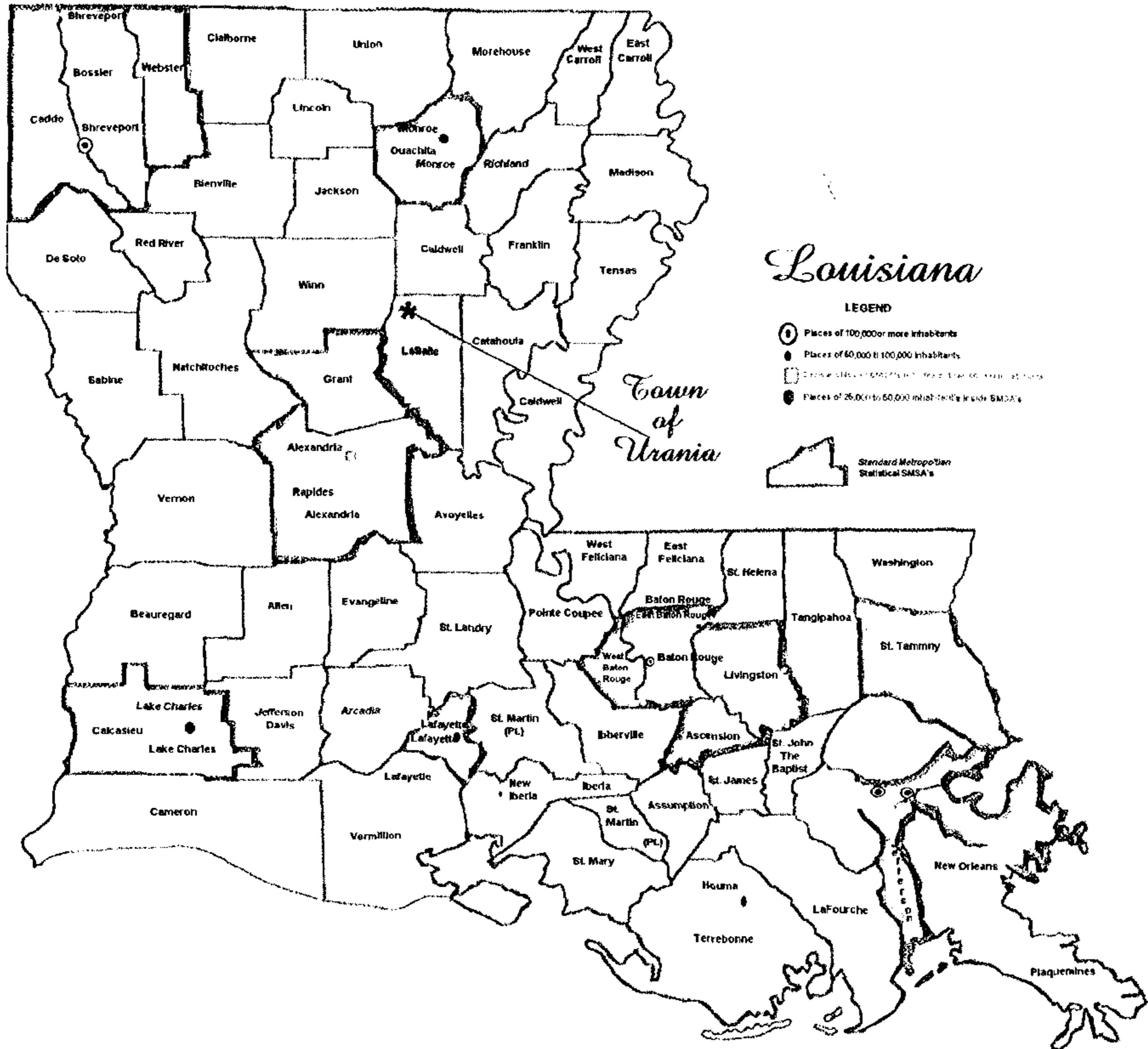
GENERAL PURPOSE FINANCIAL STATEMENTS
COMBINING AND INDIVIDUAL FUND AND
ACCOUNT GROUP STATEMENTS
SUPPLEMENTAL DATA

JUNE 30, 1998

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

Release Date ~~DEC 16 1998~~

TOWN OF URANIA URANIA, LOUISIANA



* The Town of Urania was incorporated under the Lawrason Act, and operates under the Mayor-Board of Alderman form of government. The Town provides the following significant services to its residents as provided by its charter: public safety (police and fire), highways and streets, utilities (water and sewer services) and general administrative functions, including coordination of related services with parish, state and federal governing bodies.

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INDEPENDENT AUDITOR'S REPORT ON
GENERAL PURPOSE FINANCIAL STATEMENTS

The Honorable Terri Corley, Mayor
and Members of the Town
Board of Aldermen
Urania, Louisiana

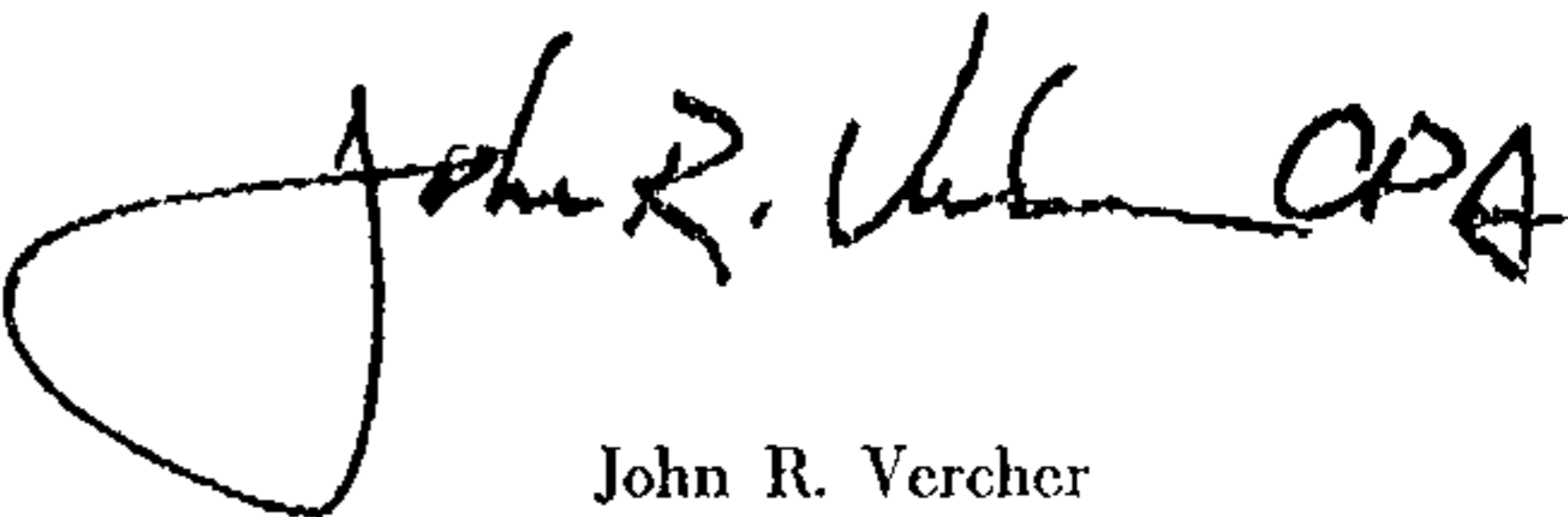
I have audited the accompanying general purpose financial statements of the Town of Urania, Louisiana, as of and for the year ended June 30, 1998 as listed in the table of contents. These general purpose financial statements are the responsibility of the Town's management. My responsibility is to express an opinion on these general purpose financial statements based on my audit.

I conducted my 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 I 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 financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Town of Urania, Louisiana, as of June 30, 1998, and the results of its operations and the cash flow of its proprietary fund type for the year then ended in conformity with generally accepted accounting principles.

My audit was conducted for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining and individual fund group financial statements, schedules and graphs listed in the table of contents are presented for the purpose of additional analysis and are not a required part of the general purpose financial statements of the Town of Urania, Louisiana. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements, and in my opinion, is fairly presented in all material respects in relation to the *general purpose financial statements taken as a whole*.

October 27, 1998
Jena, Louisiana

 CPA
John R. Vercher

MEMBER
-----AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS-----
SOCIETY OF LOUISIANA CERTIFIED PUBLIC ACCOUNTANTS

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

The Honorable Terri Corley, Mayor
and Members of the Town
Board of Aldermen
Urania, Louisiana

I have audited the general purpose financial statements of the Town of Urania, Louisiana, as of and for the year ended June 30, 1998 and have issued my report thereon dated October 27, 1998. I conducted my 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 Town of Urania, Louisiana's general purpose financial statements are free of material misstatement, I 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 statements amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*, except as follows and discussed in management letter comments.

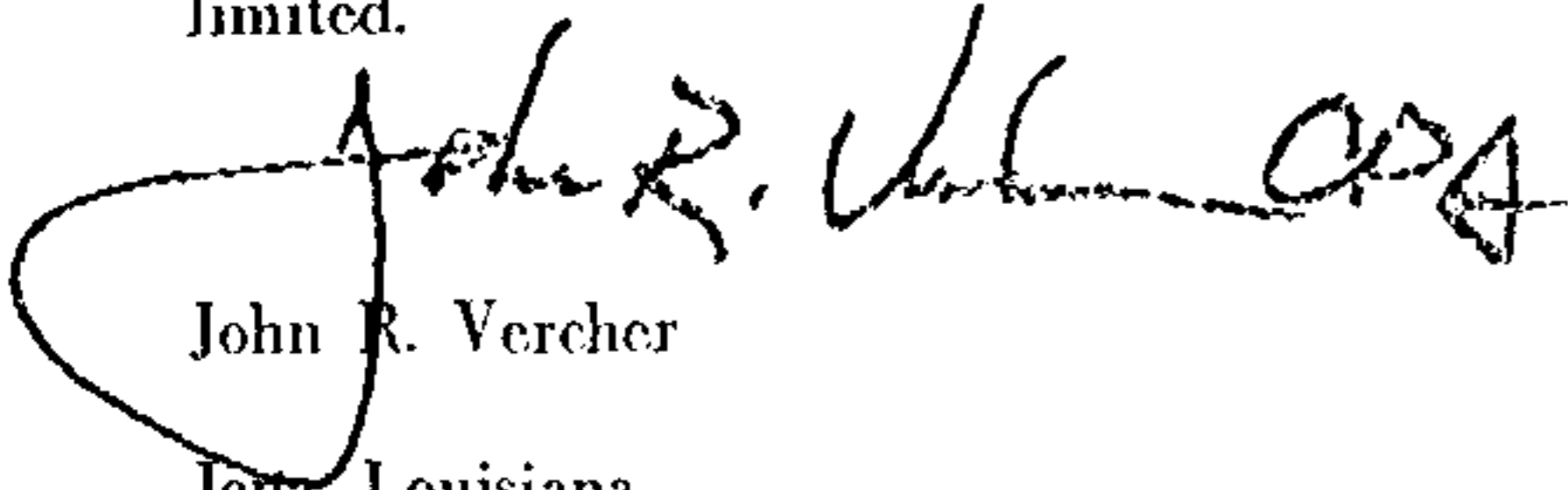
1998-1 Budgets

1998-2 Dedicated Ad Valorem Taxes

Internal Control Over Financial Reporting

In planning and performing my audit, I considered Town of Urania, Louisiana's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control over financial reporting. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level 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. I noted no matters involving the internal control over financial reporting and its operation that I consider to be material weaknesses.

This report is intended for the information of the Town of Urania's Management and Legislative Auditor's Office. However, this report is a matter of public record and its distribution is not limited.

A handwritten signature in black ink, appearing to read "John R. Vercher" followed by a stylized flourish or initials.

John R. Vercher

Jena, Louisiana

October 27, 1998

GENERAL PURPOSE FINANCIAL STATEMENTS

(COMBINED STATEMENTS - OVERVIEW)

Town of Urania, Louisiana
 Combined Balance Sheet
 All Fund Types and Account Group
 June 30, 1998

	Governmental Fund Types			Proprietary Fund Type
	General Fund	Debt Service	Capital Projects	Enterprise Fund
ASSETS				
Cash	\$ 33,893	\$ 6,038	\$ -0-	\$ 16,667
Investments	13,469	-0-	-0-	109,151
Receivables (Net)	5,750	-0-	-0-	14,684
Due from Other Funds	-0-	-0-	-0-	4,322
Restricted Assets				
Cash	-0-	-0-	-0-	47,184
Investments at Cost	-0-	-0-	-0-	39,148
Plant & Equipment	-0-	-0-	-0-	2,162,728
Accumulated Depreciation	-0-	-0-	-0-	(499,004)
Amount Available in Debt Service	-0-	-0-	-0-	-0-
Amount to be Provided for Ret. of General Long-Term Debt	-0-	-0-	-0-	-0-
General Fixed Assets (Note 5)	-0-	-0-	-0-	-0-
TOTAL ASSETS	\$ 43,112	\$ 6,038	\$ -0-	\$ 1,894,880
LIABILITIES & FUND EQUITY				
LIABILITIES				
Accounts Payable	\$ 5,586	\$ -0-	\$ 12	\$ 13,310
Due To Other Funds	-0-	-0-	-0-	-0-
Payable from Restricted Assets:				
Accrued Liabilities	-0-	-0-	-0-	19,522
Current Bonds Payable	-0-	-0-	-0-	13,272
Customer Deposits	-0-	-0-	-0-	18,597
General Obligation Bonds Payable	-0-	-0-	-0-	-0-
Revenue Bonds Payable	-0-	-0-	-0-	664,217
TOTAL LIABILITIES	\$ 5,586	\$ -0-	\$ 12	\$ 728,918
Fund Equity				
Contributed Capital	\$ -0-	\$ -0-	\$ -0-	\$ 942,244
Investments in Gen. Fixed Assets	-0-	-0-	-0-	-0-
TOTAL FUND EQUITY	\$ -0-	\$ -0-	\$ -0-	\$ 942,244
Retained Earnings:				
Reserved for Bond Retirement	-0-	-0-	-0-	36,057
Reserved for Bond Contingency	-0-	-0-	-0-	8,847
Unreserved (Deficit)	-0-	-0-	-0-	178,814
Fund Balances				
Reserved for Debt Service	-0-	6,038	-0-	-0-
Unreserved - Undesignated	47,526	-0-	(12)	-0-
TOTAL RETAINED EARNINGS/ FUND BALANCE	\$ 47,526	\$ 6,038	\$ (12)	\$ 223,718
TOTAL FUND EQUITY	\$ 47,526	\$ 6,038	\$ (12)	\$ 1,165,962
TOTAL LIABILITIES & FUND EQUITY	\$ 53,112	\$ 6,038	\$ -0-	\$ 1,894,880

Fiduciary Fund Type	Account Group		General Fixed Assets	Total (Memorandum Only)
	Agency Fund	General Long Term-Debt		
\$ 4,322	\$ -0-	\$ -0-	\$ 60,920	
-0-	-0-	-0-	122,620	
-0-	-0-	-0-	20,434	
-0-	-0-	-0-	4,322	
-0-	-0-	-0-	47,184	
-0-	-0-	-0-	39,148	
-0-	-0-	-0-	2,162,728	
-0-	-0-	-0-	(499,004)	
-0-	6,038	-0-	6,038	
-0-	39,962	-0-	39,962	
-0-	-0-	83,721	83,721	
-----	-----	-----	-----	
\$ 4,322	\$ 46,000	\$ 83,721	\$ 2,088,730	
=====	=====	=====	=====	
\$ -0-	\$ -0-	\$ -0-	\$ 18,908	
4,322	-0-	-0-	4,322	
-0-	-0-	-0-	19,522	
-0-	-0-	-0-	13,272	
-0-	-0-	-0-	18,597	
-0-	46,000	-0-	46,000	
-0-	-0-	-0-	664,217	
-----	-----	-----	-----	
\$ 4,322	\$ 46,000	\$ -0-	\$ 784,838	
-----	-----	-----	-----	
\$ -0-	\$ -0-	\$ -0-	\$ 942,244	
-0-	-0-	83,721	83,721	
-----	-----	-----	-----	
\$ -0-	\$ -0-	\$ 83,721	\$ 1,025,965	
-----	-----	-----	-----	
-0-	-0-	-0-	36,057	
-0-	-0-	-0-	8,847	
-0-	-0-	-0-	178,814	
-0-	-0-	-0-	6,038	
-0-	-0-	-0-	47,514	
-----	-----	-----	-----	
\$ -0-	\$ -0-	\$ -0-	\$ 277,270	
-----	-----	-----	-----	
\$ -0-	\$ -0-	\$ 83,721	\$ 1,303,235	
-----	-----	-----	-----	
\$ 4,322	\$ 46,000	\$ 83,721	\$ 2,088,073	
=====	=====	=====	=====	

The accompanying notes are an integral part of this statement.

Town of Urania, Louisiana
 Combined Statement of Revenues, Expenditures
 and Changes in Fund Balances
 All Governmental Types
 Year Ended June 30, 1998

	General Fund	Debt Service Funds	Capital Projects	Totals (Memorandum Only)
Revenues:				
Taxes & License	\$ 28,595	\$ 6,026	\$ -0-	\$ 34,621
Intergovernmental	7,092	-0-	40,625	47,717
Charges for Services	28,698	-0-	-0-	28,698
Fines	100,914	-0-	-0-	100,914
Penalties	3,869	-0-	-0-	3,869
Miscellaneous Revenue	6,871	-0-	-0-	6,871
Interest	579	117	-0-	696
Total Revenues	\$ 176,618	\$ 6,143	\$ 40,625	\$ 223,386
Expenditures:				
Current -				
General Government	\$ 119,279	\$ -0-	\$ -0-	\$ 119,279
Public Safety	16,551	-0-	-0-	16,551
Recreation	3,332	-0-	-0-	3,332
Fire Protection	7,078	-0-	-0-	7,078
Street and Sanitation	3,078	-0-	-0-	3,078
Principal Retirement & Interest	-0-	4,400	-0-	4,400
Public Works	-0-	-0-	40,487	40,487
Administration	-0-	-0-	248	248
Total Expenditures	\$ 149,318	\$ 4,400	\$ 40,735	\$ 194,453
Excess (Deficit) of Revenues Over Expenditures Before Other Financing Sources (Uses)	\$ 27,300	\$ 1,743	\$ (110)	\$ 28,933
Other Financing Sources (Uses):				
Operating Transfers In	\$ -0-	\$ -0-	\$ 98	\$ 98
Operating Transfers Out	(10,098)	(1,509)	-0-	(11,607)
Excess (Deficit) of Revenue & Other Sources over Expenditures & Other	\$ 17,202	\$ 234	\$ (12)	\$ 17,424
Fund Balances Beginning of Year	\$ 30,324	\$ 5,804	\$ -0-	\$ 36,128
Fund Balances End of Year	\$ 47,526	\$ 6,038	\$ (12)	\$ 53,552

The accompanying notes are an integral part of this statement.

Town of Urania, Louisiana
 Governmental Funds Types
 Combined Statement of Revenues and Expenditures
 and Changes in Fund Balance
 Budget vs Actual (GAAP Basis)
 Year Ended June 30, 1998

	General Fund			Capital Projects		
	Budget	Actual	Variance	Budget	Actual	Variance
REVENUES						
Taxes & Licenses	\$ 28,000	\$ 28,595	\$ 595	\$ -0-	\$ -0-	\$ -0-
Intergovernmental	5,200	7,092	1,892	600,000	40,625	(559,375)
Charges for Service	21,100	28,698	7,598	-0-	-0-	-0-
Fines	61,550	100,914	39,364	-0-	-0-	-0-
Penalties	3,000	3,869	869	-0-	-0-	-0-
Miscellaneous	1,300	6,871	5,571	-0-	-0-	-0-
Interest	-0-	579	579	-0-	-0-	-0-
TOTAL REVENUES	\$ 120,150	\$ 176,618	\$ 56,468	\$ 600,000	\$ 40,625	\$ (559,375)
EXPENDITURES						
Current -						
General Government	\$ 80,000	\$ 119,279	\$ (39,279)	\$ -0-	\$ -0-	\$ -0-
Public Safety	14,500	16,551	(2,051)	-0-	-0-	-0-
Recreation	400	3,332	(2,932)	-0-	-0-	-0-
Fire Protection	5,700	7,078	(1,378)	-0-	-0-	-0-
Street and Sanitation	2,050	3,078	(1,028)	-0-	-0-	-0-
Public Works	-0-	-0-	-0-	562,500	40,487	522,013
Land Acquisition	-0-	-0-	-0-	2,500	-0-	2,500
Administration	-0-	-0-	-0-	35,000	248	34,752
TOTAL EXPENDITURES	\$ 102,650	\$ 149,318	\$ (46,668)	\$ 600,000	\$ 40,735	\$ 559,265
Deficiency of Revenues Over Expenditures Before Other Financing Sources (Uses)	17,500	27,300	9,800	-0-	(110)	(110)
Other Financing Sources:						
Operating Transfers In	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 98	\$ 98
Operating Transfers Out	(17,500)	(10,098)	7402	-0-	-0-	-0-
Excess of Revenues and Other Sources Over Expenditures	\$ -0-	\$ 17,202	\$ 17,202	\$ -0-	\$ (12)	\$ (12)
Fund Balance - Beginning	30,324	30,324	-0-	-0-	-0-	-0-
Fund Balance End of Year	<u>\$ 30,324</u>	<u>\$ 47,526</u>	<u>\$ 17,202</u>	<u>\$ -0-</u>	<u>\$ (12)</u>	<u>\$ (12)</u>

The notes to the financial statements are an integral part of this statement.

Town of Urania, Louisiana
 Combined Statement of Revenues, Expenses
 and Changes in Retained Earnings
 All Proprietary Fund Types
 Year Ended June 30, 1998

Operating Revenues:	
Water Department	\$ 94,483
Sewer Department	61,967
Total Operating Revenues	\$ 156,450
Operating Expenses:	
Water Department	
Salaries and Related Costs	\$ 15,561
Material and Supplies	1,740
Depreciation	15,982
Repairs and Maintenance	7,272
Utilities	2,734
Insurance	3,555
Miscellaneous	239
Professional Services	950
Purchased Water	65,064
Total Water Department	\$ 113,097
Sewer Department	
Salaries and Related Costs	\$ 12,227
Material and Supplies	1,110
Depreciation	14,763
Repairs and Maintenance	40,550
Utilities	14,314
Sewer Analysis	1,668
Insurance	3,555
Miscellaneous	1,933
Professional Fees	950
Total Sewer Department	\$ 91,070
Total Operating Expenses	\$ 204,167
Operating Income (Loss)	(47,717)
Non-Operating Revenue (Expenses):	
Interest Income - Water Department	\$ 8,276
Interest Income - Sewer Department	1,343
Interest Expense - Water Department	(31,897)
Interest Expense - Sewer Department	(7,149)
Operating Grant	15,000
Total Non-Operating Revenues (Expenses)	\$ (14,427)
Income (Loss) Before Operating Transfers	(62,144)
Transfers from Other Fund	\$ 11,509
Net Income (Loss)	\$ (50,635)
Retained Earnings (Deficit), Beginning	\$ 274,353
Retained Earnings (Deficit), Ending	\$ 223,718

The accompanying notes are an integral part of this statement.

Town of Urania, Louisiana
 Combined Statement of Cash Flows
 All Proprietary Fund Types
 Year Ended June 30, 1998

Cash from Operations:	
Income (Loss) Before Operating Transfers	\$ (62,144)
Operating Transfers	11,509
Net Income (Loss)	\$ <u>(50,635)</u>
Adjustments to Net income (Loss):	
Depreciation	30,745
Allowances for Bad Debts	132
(Increase) Decrease in Accounts Receivable	7,964
Increase (Decrease) in Accounts Payable	9,168
Increase (Decrease) in Accrued Interest	<u>(380)</u>
Cash Provided by Operation	\$ 47,629
Cash from Restricted Funds	26,751
Cash from Customer Deposits	1,182
Cash from Contributed Capital	40,626
Total Cash Provided	\$ <u>65,553</u>
Cash Was Applied To:	
Investments	\$ 5,563
Revenue Bonds	13,272
Fixed Assets	<u>40,626</u>
Total Cash Applied	\$ <u>59,461</u>
Net Increase (Decrease) in Cash	\$ <u>6,092</u>
Cash Beginning of Year	<u>10,575</u>
Cash End of Year	<u>\$ 16,667</u>

The accompanying notes are an integral part of this statement.

Town of Urania, Louisiana
Notes to Financial Statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Town of Urania was incorporated under the Lawrason Act, and operates under the Mayor-Board of Alderman form of government. The Town provides the following significant services to its residents as provided by its charter: public safety (police and fire), highways and streets, utilities (water and sewer services) and general administrative functions, including coordination of related services with parish, state and federal governing bodies.

The accounting policies of the Town of Urania conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant accounting policies:

A. Reporting Entity

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

B. Fund Accounting

The accounts of the Town of Urania are organized on the basis of funds and on account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of accounts that comprise its assets, liabilities, fund equity, revenues and expenditures, or expenses, 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 are grouped, in the financial statements in this report, into three generic fund types and two broad fund category as follows:

GOVERNMENTAL FUND TYPES

General Fund

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

Capital Projects Funds

Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds, special assessment funds and trust funds).

Debt Service Funds

The 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.

Town of Urania, Louisiana
Notes to Financial Statements (cont.)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONT.)

B. Fund Accounting - (Cont.)

GOVERNMENTAL FUND TYPES - (Cont.)

Fiduciary Fund Types

Fiduciary Fund types are used to account for assets held by the Town of Urania as an agent for other funds. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

PROPRIETARY FUND TYPES

Enterprise Fund

Enterprise funds are used to account for operations that (a) 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 the periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

C. Fixed Assets and Long-Term Liabilities

Fixed assets used in governmental fund type operations (general fixed assets) are valued at cost and are accounted for in the General Fixed Assets Account Group, rather than in governmental funds. Public domain ("infrastructure") general fixed assets consisting of certain improvements, including roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems are not capitalized.

All fixed assets of the Proprietary Fund are valued at historical cost.

This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of "available spendable resources". Fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly they are said to present a summary of sources and uses of "available spendable resources" during a period.

Long-term liabilities expected to be financed from governmental funds are accounted for in the general long-term debt account group.

The account groups are not funds. They are concerned only with the measurement of financial position. They are not involved with measurement of results of operations.

Town of Urania, Louisiana
Notes to Financial Statements (cont.)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONT.)

C. Fixed Assets and Long-Term Liabilities - (Cont.)

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 should be included on their balance sheets.

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:

Water and Sewer System	40 Years
Equipment	3-10 Years

Records concerning general fixed assets were not maintained by the Town, therefore a statement of general fixed assets is not presented.

D. Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statement. 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. Taxpayer-assessed income, gross receipts, and sales taxes are considered "measurable" when in the hands of intermediary collecting governments and are revenue at that time. Anticipated refunds of such taxes are as liabilities and reductions of revenue when they are measurable and their validity seems certain.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. An exception to this general rule is principal and interest on general long-term debt which is recognized when due.

All proprietary funds are accounted for using the accrual basis of accounting. Their revenues are recognized when they are earned, and their expenses are recognized when they are incurred.

E. Budgets and Budgetary Accounting

The Town adopts its budget annually on the modified accrual (GAAP) basis of accounting. Budgetary comparisons are included in the accompanying financial statements. All budgetary appropriations lapse at the end of each fiscal year. Budgetary control is exercised at the fund level rather than individual budgetary line item or functional area. The general fund budget was amended during the year. The Capital Projects Budget is established as a project wide budget which may extend more than one year.

Town of Urania, Louisiana
Notes to Financial Statements (cont.)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONT.)

F. Investments and Cash

Investments (CD's over 90 days) are stated at cost, which approximate market. All cash and investments are on deposit in a FDIC insured bank. Cash and investments on deposit (bank balances) at June 30, 1998 amounts to \$272,561 and secured as follows:

U. S. Treasury Note	\$ 201,000
FDIC Insured	199,056
	<u>-----</u>
	\$ 400,056
	<u>=====</u>

G. Compensated Absences and Retirement Plans

The Town does not compensate unused vacation and sick leave. Employees of the Town are covered under the Social Security System.

H. Accounts Receivable and Allowance for Bad Debts

Uncollectible amounts due for customer's utility receivables are recognized as bad debts based on 5% of total receivables. Below is a summary of accounts receivable and allowance for bad debts by fund:

General Fund

Accounts Receivable - Franchise Tax	\$ 1,471
Accounts Receivable - Fire and Garbage	2,219
Accounts Receivable - Intergovernmental	
Fire Insurance Rebate	2,060
	<u>-----</u>
Total Accounts Receivable - General Fund	\$ 5,750
	<u>=====</u>

Proprietary Fund

Accounts Receivable - Water	
(Allowance for Doubtful Accounts - \$519)	\$ 9,860
Accounts Receivable - Sewer	
(Allowance for Doubtful Accounts - \$254)	4,824
	<u>-----</u>
Total Accounts Receivable - Proprietary Fund	\$ 14,684
	<u>=====</u>

I. Reserves

The Town records reserves to indicate that a portion of its retained earnings/fund balances are legally restricted for a specific future use. The following is a list of such reserves and a description of each:

Reserved for Depreciation and Contingencies

This amount represents monies reserved to make emergency repairs to the water and sewer systems.

Town of Urania, Louisiana
Notes to Financial Statements (cont.)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONT.)

1. Reserves - (Cont.)

Reserved - Revenue Bonds

This amount represents monies reserved as required by the revenue bond indentures.

Reserved for Debt Service

Certain assets have been reserved in the Debt Service Fund for future payment of long-term liabilities of the governmental funds.

J. 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 changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

2. AD VALOREM TAXES

Ad Valorem taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied by the Town in October and are actually billed to the taxpayers in November. Billed taxes become delinquent on January 1 of the following year. Revenues from ad valorem taxes are budgeted in the "billed" year.

The Town bills and collects its own property taxes using the assessed values determined by the tax assessor of LaSalle Parish.

For the year ended June 30, 1998, taxes of 15.49 mills were levied on property with assessed valuations totaling \$792,755 and were dedicated as follows:

General Corporate Purposes	8.25 mills
Debt Service	7.24 mills

Total taxes levied were \$12,280 of which \$6,540 was due to the general fund and \$5,740 was due to the debt service fund.

3. DEPRECIABLE FIXED ASSETS

The water and sewer system is depreciated over a 40 year period using the straight-line method. Other assets are depreciated from 3 to 10 years using the straight-line method. Below is a summary of water and sewer enterprise fund plant, property, and equipment:

	Cost	Accumulated Depreciation	Current Depreciation
Water Plant and Equipment	\$ 856,264	\$ 201,594	\$ 15,982
Sewer Plant and Equipment	1,265,838	297,410	14,763
Total	\$ 2,122,102	\$ 499,004	\$ 30,745

Town of Urania, Louisiana
Notes to Financial Statements (cont.)

4. CHANGES IN LONG-TERM DEBT

The following is a summary of bond transactions of the Town of Urania for the year ended June 30, 1998:

	General Obligation		Revenue		
	Public Improvement (Sewer)	Public Improvement District # 1 (Sewer)	Water Utility	Sewer	Total
Bonds Payable 6/30/97	\$ 24,000	\$ 24,000	\$ 544,761	\$ 146,000	\$ 738,761
Principal Retirements	(1,000)	(1,000)	(9,272)	(4,000)	(15,272)
Bonds Payable 6/30/98	\$ 23,000	\$ 23,000	\$ 535,489	\$ 142,000	\$ 723,489

Bonds payable at June 30, 1998 are payable to the Farmers' Home Administration and are comprised of the following individual issues:

General Obligation Bonds Administered by the Debt Service Fund:

Two 1977 issues of \$42,000 each serial bonds due in annual installments of \$ 1,000, increasing to \$ 3,000 annually at maturity at September 28, 2016; interest at 5% \$ 46,000

Revenue Bonds Administered by the Water and Sewer Enterprise Fund:

\$185,000 water serial bonds due annually in installments of \$2,000, increasing in increments of \$1,000, to \$10,000 annually at maturity at March 1, 2012; interest at 5% 107,000

\$197,400 sewer serial bonds due annually in installments of \$2,000, increasing in increments of \$1,000 to \$12,000 annually at maturity at September 28, 2016; interest at 5% 142,000

\$454,000 water serial bonds issued November 14, 1990, 40 year maturity, \$44,000 @ 6% with annual installments of \$2,944 and \$410,000 @ 6.25% with annual installments of \$ 27,855 428,489

Total \$ 723,489

Provision of Revenue Bond Indenture

Under the terms of the bond indenture on outstanding utility bonds, all income and revenues of every nature are pledged and dedicated to the retirement of said bonds and are to be set aside into the following special funds:

- a) On or before the 20th of each month, there will be set aside into a fund called the "Revenue Bond and Interest Sinking Fund" an amount constituting one-twelfth of the next maturing installment of principal and interest. 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.

Town of Urania, Louisiana
Notes to Financial Statements (cont.)

4. CHANGES IN LONG-TERM DEBT - (CONT.)

Provision of Revenue Bond Indenture - (Cont.)

b) On or before the 20th of each month, there shall be set aside into a "Bond Reserve Fund" for the sewer bonds, and amount equal to 5% of the amount to be paid into the sinking fund until \$13,200 has been accumulated. For the water bonds, a sum of 5% of the monthly payment being made into the sinking fund must be deposited monthly into the "Reserve Fund" until it equals the highest combined annual debt service in any future year on all outstanding bonds. Such amounts may be used only for the payment of maturing bonds in the "Bond and Interest Sinking Fund" and as to which there would otherwise be default.

c) Funds will also be set aside into a "Depreciation and Contingency Fund" at the rate of \$68 per month for the sewer bonds and \$588 per month for the water bonds. Money in this fund may be used for the making of extraordinary repairs as replacements to the systems which are necessary to keep the systems in operating condition and is not available for maintenance and operating expenses.

Provisions of General Obligation Bond Indenture

These bonds constitute a general obligation of the Town and the full faith and credit of the Town is pledged for the repayment of these bonds. The bonds are secured by a special tax to be imposed and collected annually in excess of all other taxes on all the property subject to taxation within the territorial limits of the Town sufficient to pay the principal and interest.

Annual Requirements to Amortize all Debts

The annual requirements to amortize all debt outstanding as of June 30, 1998, including interest payments of \$811,829 are as follows:

Year Ending June 30,	General Obligation	Revenue	Total
1999	\$ 2,100	\$ 65,399	\$ 67,499
2000-2004	9,750	320,095	329,845
2005-2009	8,500	319,095	327,595
2010-2014	9,200	278,295	287,495
2015-2019	4,300	179,795	184,095
2020-2024	-0-	153,995	153,995
2025-2029	-0-	153,995	153,995
2030	-0-	30,799	30,799
	-----	-----	-----
Total	\$ 33,850	\$ 1,501,468	\$ 1,535,318
	=====	=====	=====

5. CHANGES IN GENERAL FIXED ASSETS

Balance June 30, 1997	\$ 83,721
Additions	-0-
Deletions	-0-

	\$ 83,721
	=====

Town of Urania, Louisiana
Notes to Financial Statements (cont.)

6. ELECTED OFFICIALS SALARIES

Name	Title	Annualized Salary	Annualized Expense	Date of Service
Terri Corley	Mayor	\$ 7,200	\$ 1,440	1998
Gloria J. Sanders	Alderman	160	-0-	1998
Jessie Powers, Jr.	Alderman	240	-0-	1998
Carl Vickers	Alderman	220	-0-	1998
John Gary Ivy	Alderman	240	-0-	1998
Jimmy Eubanks	Alderman	160	-0-	1998
Mickey Lofton	Chief of Police	12,514	-0-	1998

6. DUE FROM (TO) OTHER FUNDS

	Due From Other Funds	Due To Other Funds
Enterprise Fund	\$ 4,322	\$ -0-
Agency Fund	-0-	4,322
Total	\$ 4,322 =====	\$ 4,322 =====

7. EXCESS EXPENDITURES OVER REVENUES

The general fund overspent its budget by 45% or \$46,668 during the year.

**FINANCIAL STATEMENTS
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 Urania, Louisiana
 General Fund
 Balance Sheet
 June 30, 1998

ASSETS

Cash	\$ 33,893
Investments	13,469
Receivables	5,750

TOTAL ASSETS	\$ 53,112 =====

LIABILITIES AND FUND BALANCE

Liabilities	
Accounts Payable	\$ 5,586

Total Liabilities	\$ 5,586

Fund Balance	
Unreserved - Undesignated	\$ 47,526

TOTAL LIABILITIES AND FUND BALANCE	\$ 53,112 =====

The notes to the financial statements are an integral part of this statement.

Town of Urania
 General Fund
 Statement of Revenues and Expenditures
 and Changes in Fund Balances
 Budget vs Actual (GAAP Basis)
 Year Ended June 30, 1998

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Taxes and Licenses	\$ 28,000	\$ 28,595	\$ 595
Intergovernmental	5,200	7,092	1,892
Charges for Services	21,100	28,698	7,598
Fines	61,550	100,914	39,364
Penalties	3,000	3,869	869
Miscellaneous Revenues	1,300	6,871	5,571
Interest	-0-	579	579
	-----	-----	-----
Total Revenues	\$ <u>120,150</u>	\$ <u>176,618</u>	\$ <u>56,468</u>
Expenditures:			
Current -			
General Government	\$ 80,000	\$ 119,279	\$ (39,279)
Public Safety	14,500	16,551	(2,051)
Recreation	400	3,332	(2,932)
Fire Protection	5,700	7,078	(1,378)
Street and Sanitation	2,050	3,078	(1,028)
	-----	-----	-----
Total Expenditures	\$ <u>102,650</u>	\$ <u>149,318</u>	\$ <u>(46,668)</u>
Deficiency of Revenues Over Expenditures Before Other Financing Sources	\$ 17,500	\$ 27,300	\$ 9,800
Other Financing Sources:			
Operating Transfers Out	\$ <u>(17,500)</u>	\$ <u>(10,098)</u>	\$ <u>7,402</u>
Excess of Revenues and Other Sources Over Expenditures	\$ -0-	\$ 17,202	\$ 17,202
Fund Balances, Beginning	<u>30,324</u>	<u>30,324</u>	<u>-0-</u>
Fund Balance, Ending	\$ <u><u>30,324</u></u>	\$ <u><u>47,526</u></u>	\$ <u><u>17,202</u></u>

The accompanying notes are an integral part of this statement.

Town of Urania
General Fund
Schedule of Revenues and Expenditures
Budget vs Actual (GAAP Basis)
Year Ended June 30, 1998

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Taxes and Licenses			
Franchise Tax	\$ 10,000	\$ 11,004	\$ 1,004
General Ad Valorem	8,000	6,832	(1,168)
Licenses & Permits	10,000	10,759	759
Intergovernmental Revenue -			
Tobacco & Beer Tax	3,200	3,415	215
Fire Rebates & Grant	2,000	3,677	1,677
Charges for Services -			
Garbage Collection and Fire Protection	21,100	28,698	7,598
Fines -			
Traffic Citations	61,550	100,914	39,364
Penalties	3,000	3,869	869
Miscellaneous -			
Mowing	700	655	(45)
Miscellaneous	600	1,291	691
Interest	-0-	579	579
Donations	-0-	4,925	4,925
	-----	-----	-----
Total Revenues	\$ 120,150	\$ 176,618	\$ 56,468
	=====	=====	=====
Expenditures:			
General Government -			
Salaries and Related Benefits	\$ 40,140	\$ 74,265	\$ (34,125)
Mayor and Alderman Salaries	2,440	2,380	60
Other Salaries	650	-0-	650
Advertising	1,000	2,390	(1,390)
Insurance	6,300	6,734	(434)
Miscellaneous	1,550	3,417	(1,867)
Office Expense	4,300	7,471	(3,171)
Professional Fees	2,820	2,600	220
Postage & Freight	2,400	2,190	210
Repairs and Maintenance and Supplies	4,900	3,652	1,248
Utilities	13,500	14,180	(680)
Public Safety			
Miscellaneous	14,500	16,551	(2,051)
Recreation			
Utilities	400	3,332	(2,932)
Fire			
Utilities	2,000	1,764	236
Equipment	-0-	243	(243)
Miscellaneous	3,700	5,071	(1,371)
Street and Sanitation			
Truck & Tractor Expense	1,650	2,175	(525)
Repairs, Maintenance & Other	400	903	(503)
	-----	-----	-----
Total Expenditures	\$ 102,650	\$ 149,318	\$ (46,668)
	=====	=====	=====

The accompanying notes are an integral part of this statement.

DEBT SERVICE FUNDS

To account for the accumulation of resources for, and the payment of, general long-term debt and interest.

Town of Urania, Louisiana
 Debt Service Funds
 Balance Sheet
 Year Ended June 30, 1998

Assets	
Cash	\$ 6,038
Total Assets	\$ 6,038

Liabilities and Fund Balance	
Liabilities	\$ -0-
Fund Balance Reserved for Debt Service	6,038
Total Liabilities and Fund Balance	\$ 6,038

The accompanying notes are an integral part of this statement.

Town of Urania, Louisiana
Debt Service Funds
Statement of Revenues, Expenditures
and Changes in Fund Balances
Year Ended June 30, 1998

Revenues:

Sewer Ad Valorem Taxes	\$ 6,026
Interest	117

Total Revenues	\$ 6,143

Expenditures:

Principal Retirement	\$ 2,000
Interest	2,400

Total Expenditures	\$ 4,400

Excess (Deficiency) of Revenues Over Expenditures Before Other Financing Sources (Uses)	\$ 1,743

Other Financing Sources (Uses) Transfers	\$ (1,509)

Total Other Financing Sources (Uses)	\$ (1,509)

Excess (Deficiency) of Revenues and Other Sources Over Expenditures	\$ 234

Fund Balances - Beginning	5,804

Fund Balances - Ending	\$ 6,038
	=====

The accompanying notes are an integral part of this statement.

CAPITAL PROJECTS FUNDS

To account for the purchase of construction of major capital facilities which are not financed by proprietary funds, special assessment funds or trust funds.

LCDBG #107-700110 in the amount of \$600,000 for Water facilities.

Town of Urania, Louisiana
 Capital Projects Funds
 Balance Sheet
 June 30, 1998

ASSETS

Cash		\$ -0-

TOTAL ASSETS		\$ -0-
		=====

LIABILITIES AND FUND BALANCE

Accounts Payable		\$ 12
Fund Balance		(12)

TOTAL LIABILITIES AND FUND BALANCE		\$ -0-
		=====

The notes to the financial statements are an integral part of this statement.

Town of Urania, Louisiana
 Capital Projects Funds
 Statement of Revenues, Expenditures and
 Changes in Fund Balance

For The Year Ended June 30, 1998

REVENUES	
Intergovernmental	\$ <u>40,625</u>
EXPENDITURES	
Public Works	\$ 40,487
Administration	248

Total Expenditures	\$ 40,735

Excess (Deficiency) of Revenues Over Expenditures Before Other Financing Sources (Uses)	(110)
Other Financing Sources:	
Operating Transfers In	\$ 98

Excess (Deficiency) of Revenues Other Sources Over Expenditures	(12)
Fund Balance - Beginning	----- -0-
Fund Balance End of Year	\$ <u> (12)</u> =====

The notes to the financial statements are an integral part of this statement.

Town of Urania, Louisiana
 Capital Projects Funds
 LCDBG 107-700110
 Statement of Revenues, Expenditures
 and Changes in Fund Balance
 (Budget vs Actual)
 For The Year Ended June 30, 1998

	Budget	Actual	Variance
REVENUES			
Intergovernmental	\$ 600,000	\$ 40,625	\$ (559,375)
EXPENDITURES			
Public Works	\$ 562,500	\$ 40,487	\$ 522,013
Land Acquisition	2,500	-0-	2,500
Administration	35,000	248	34,752
TOTAL EXPENDITURES	\$ 600,000	\$ 40,735	\$ 559,265
Deficiency of Revenues Over Expenditures Before Other Financing Sources (Uses)	-0-	(110)	(110)
Other Financing Sources:			
Operating Transfers In	\$ -0-	\$ 98	\$ 98
Excess (Deficiency) of Revenues Other Sources Over Expenditures	-0-	(12)	(12)
Fund Balance - Beginning	-0-	-0-	-0-
Fund Balance - Ending	\$ -0-	\$ (12)	\$ (12)

The notes to the financial statements are an integral part of this statement.

ENTERPRISE FUNDS

Water and Sewer Fund

To account for the provisions of water and sewer services to residents of the Town and some residents of the parish. All activities necessary to provide such services are accounted for in these funds, including, but not limited to, administration, operation, maintenance, financing and related debt service, and billing and collection.

Town of Urania, Louisiana
 Combined Balance Sheet
 All Proprietary Fund Types
 June 30, 1998

Enterprise

ASSETS	
Current Assets	
Cash	\$ 16,667
Investments	109,151
Receivables (Net)	14,684
Due from Agency Fund	4,322
Total Current Assets	\$ 144,824
Restricted Assets	
Bond Sinking Fund	\$ 50,740
Bond Reserve	18,111
Depreciation and Contingency	8,847
Customers' Deposit	8,634
Total Restricted Assets	\$ 86,332
Plant & Equipment	\$ 2,162,728
Less Accumulated Depreciation	(499,004)
Net Plant & Equipment	\$ 1,663,724
TOTAL ASSETS	\$ 1,894,880
LIABILITIES & FUND EQUITY	
Liabilities	
Current Liabilities (Payable from Current Assets):	
Accounts Payable	\$ 13,310
Current Liabilities (Payable from Restricted Assets):	
Accrued Interest Payable	\$ 19,522
Current Bonds Payable	13,272
Customers' Deposits	18,597
Total Current Liabilities (Payable from Restricted Assets)	\$ 51,391
Long-Term Liabilities:	
Revenue Bonds Payable	\$ 664,217
TOTAL LIABILITIES	\$ 728,918
FUND EQUITY:	
Contributed Capital	\$ 942,244
Retained Earnings	
Reserved for Bond Retirement	\$ 36,057
Reserved for Bond Contingency	8,847
Unreserved (Deficit)	178,814
Total Retained Earnings	\$ 223,718
Total Fund Equity	\$ 1,165,962
TOTAL LIABILITIES AND FUND EQUITY	\$ 1,894,880

The accompanying notes are an integral part of this statement.

Town of Urania, Louisiana
 Combined Statement of Revenues, Expenses
 and Changes in Retained Earnings
 All Proprietary Fund Types
 Year Ended June 30, 1998

	Enterprise
Operating Revenues:	
Water Department	\$ 94,483
Sewer Department	61,967
Total Operating Revenues	\$ 156,450
Operating Expenses:	
Water Department	
Salaries and Related Costs	\$ 15,561
Material and Supplies	1,740
Depreciation	15,982
Repairs and Maintenance	7,272
Utilities	2,734
Insurance	3,555
Miscellaneous	239
Professional Services	950
Purchased Water	65,064
Total Water Department	\$ 113,097
Sewer Department	
Salaries and Related Costs	\$ 12,227
Material and Supplies	1,110
Depreciation	14,763
Repairs and Maintenance	40,550
Utilities	14,314
Sewer Analysis	1,668
Insurance	3,555
Miscellaneous	1,933
Professional Fees	950
Total Sewer Department	\$ 91,070
Total Operating Expenses	\$ 204,167
Operating Income (Loss)	(47,717)
Non-Operating Revenue (Expenses):	
Interest Income - Water Department	\$ 8,276
Interest Income - Sewer Department	1,343
Interest Expense - Water Department	(31,897)
Interest Expense - Sewer Department	(7,149)
Operating Grants	15,000
Total Non-Operating Revenues (Expenses)	\$ (14,427)
Income (Loss) Before Operating Transfers	(62,144)
Transfers From Other Funds	\$ 11,509
Net Income (Loss)	\$ (50,635)
Retained Earnings (Deficit), Beginning	\$ 274,353
Retained Earnings (Deficit), Ending	\$ 223,718

The accompanying notes are an integral part of this statement.

Town of Urania, Louisiana
 Combined Statement of Cash Flows
 All Proprietary Fund Types
 Year Ended June 30, 1998

	Enterprise
Cash from Operations:	
Income (Loss) Before Operating Transfers	\$ (62,144)
Operating Transfers	11,509

Net Income (Loss)	\$ (50,635)

Adjustments to Net income (Loss):	
Depreciation	30,745
Allowances for Bad Debts	132
(Increase) Decrease in Accounts Receivable	7,964
Increase (Decrease) in Accounts Payable	9,168
Increase (Decrease) in Accrued Interest	(380)

Cash Provided by Operations	\$ (47,629)
Cash Provided by Restrired Funds	26,751
Cash from Customer Deposits	1,182
Cash from Contributed Capital	40,626

Total Cash Provided	\$ 65,553

Cash Was Applied To:	
Investments	\$ 5,563
Revenue Bonds	13,272
Fixed Assets	40,626

Total Cash Applied	\$ 59,461

Net Increase (Decrease) in Cash	\$ 6,092

Cash Beginning of Year	10,575

Cash End of Year	\$ 16,667
	=====

The accompanying notes are an integral part of this statement.

PAYROLL AGENCY FUND

The Payroll Agency Fund accounts for payroll and payroll related expenses paid from the Town's various funds. The Agency Fund is purely custodial and does not involve measurement of results of operations.

Town of Urania, Louisiana
Payroll Agency Fund
Balance Sheet
Year Ended June 30, 1998

Assets	
Cash	\$ 4,322

Total Assets	\$ 4,322
	=====
Liabilities & Equity	
Due to Enterprise Fund	\$ 4,322
Fund Equity	-0-

Total Liabilities & Equity	\$ 4,322
	=====

The accompanying notes are an integral part of this statement.

Town of Urania, Louisiana
 Payroll Agency Fund
 Statement of Changes in Assets and Liabilities
 Year Ended June 30, 1998

	Balance June 30, 1997	Additions	Deletions	Balance June 30, 1998
<hr/>				
ASSETS				
Cash	\$ <u>14,916</u>	\$ <u>85,500</u>	\$ <u>96,094</u>	\$ <u>4,322</u>
LIABILITIES				
Due Other Funds	\$ <u>14,916</u>	\$ <u>85,500</u>	\$ <u>96,094</u>	\$ <u>4,322</u>

The accompanying notes are an integral part of this statement.

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 Urania, Louisiana
Statement of General Long-Term Debt
June 30, 1998

	Public Improvements Sewer
<hr/>	
<hr/>	
Amount Available and to be Provided for the Retirement of General Long-Term Debt	
Amount Available in Debt Service Funds for Debt Retirement	\$ 6,038
Amount to be Provided from Ad Valorem Taxes	39,962

Total Available and to be Provided	\$ 46,000 =====
General Long-Term Debt Payable	
Bonds Payable	\$ 46,000

Total General Long-Term Debt Payable	\$ 46,000 =====

The accompanying notes are an integral part of this statement.

GENERAL FIXED ASSETS ACCOUNT GROUP

To account for all general fixed assets owned by the Town of Urania.

Town of Urania, Louisiana
Statement of Changes in
General Fixed Assets
Year Ended June 30, 1998

	Balance June 30, 1997	Additions	Deletions	Balance June 30, 1998
<hr/>				
GENERAL FIXED ASSETS				
Fixed Assets	\$ <u>83,721</u>	\$ <u>-0-</u>	\$ <u>-0-</u>	\$ <u>83,721</u>
 INVESTMENTS IN GENERAL FIXED ASSETS				
General Fund	\$ <u>83,721</u>	\$ <u>-0-</u>	\$ <u>-0-</u>	\$ <u>83,721</u>

The accompanying notes are an integral part of this statement.

JOHN R. VERCHER PC
Certified Public Accountant
P.O.Box 1608
Jena, Louisiana 71342
Tel: (318) 992-6348
Fax: (318) 992-4374

MANAGEMENT LETTER COMMENTS

I have audited the financial statements of Town of Urania, Louisiana, as of and for the year ended June 30, 1998, and have issued my report thereon dated October 27, 1998. I conducted my 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.

As part of my examination, I have issued my report on the financial statements, dated October 27, 1998, and my report on internal control and compliance with laws, regulations, and contracts, dated October 27, 1998.

During the course of my audit, I observed conditions and circumstances that may be improved. Below are situations that may be improved (if any), recommendations for improvements and the Town's response.

CURRENT YEAR MANAGEMENT LETTER COMMENTS

1998-1) BUDGETS (COMPLIANCE FINDING)

Situation: The Town overspent its budget by 45% during the year. The local government budget law (LSA-RS 39:1301-14) requires the budget be amended when revenues fail to meet budget or expenditures exceed budget more than 5%.

Recommendation: The Town should have its budget amended when revenues fail to meet budgeted revenues and expenditures exceed budgeted expenditures by more than 5%.

Town Response: The Town will begin amending its budgets when revenues fail to meet budget or expenditures exceed budget by more than 5%.

1998-2) DEDICATED AD VALOREM TAXES (COMPLIANCE FINDING)

Situation: The Town transferred \$1,510 from its debt service fund (ad valorem taxes dedicated to debt service of general obligation bonds) to pay enterprise fund revenue bonds. This comment was in the "Prior Year Management Letter Comments".

Recommendation: All ad valorem tax collected, that are dedicated to the debt service of general obligation bonds, should be deposited in the debt service fund accounts and expended only on general obligations bonds. The millage should be adjusted each year so that only enough taxes are collected to service the general obligation bonds.

Town Response: The Town will discontinue making transfers from the debt service fund to other funds.

TOWN OF URANIA
URANIA, LOUISIANA

SCHEDULE OF PRIOR FINDINGS AND
CORRECTIVE ACTION PLAN

For the Year Ended June 30, 1998

PRIOR YEAR MANAGEMENT LETTER COMMENTS

1997-1) DEDICATED AD VALOREM TAXES (COMPLIANCE FINDING)

Situation: The Town transferred \$3,452 from its debt service fund (ad valorem taxes dedicated to debt service of general obligation bonds) to pay enterprise fund revenue bonds.

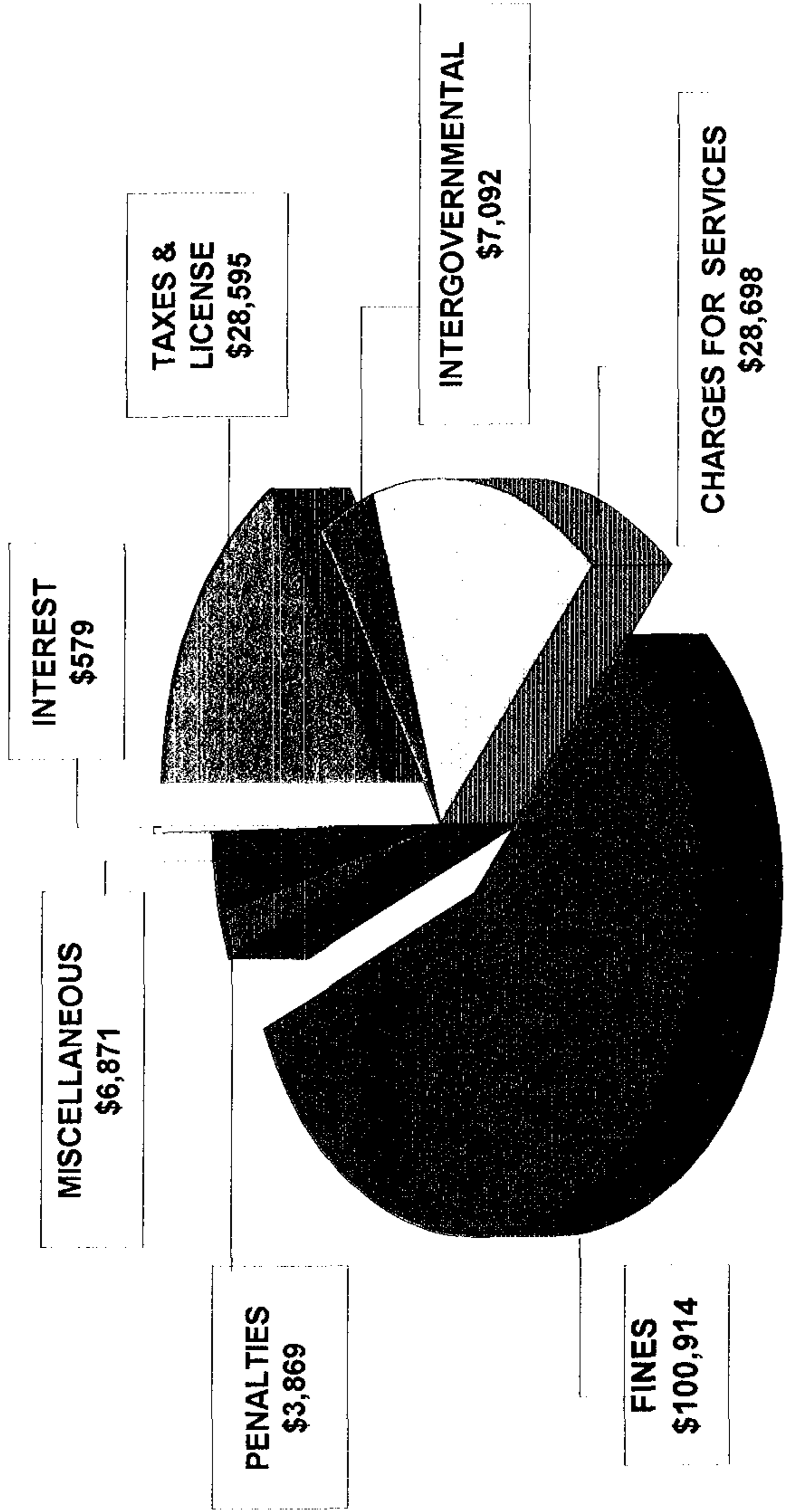
Recommendation: All ad valorem tax collected, that are dedicated to the debt service of general obligation bonds, should be deposited in the debt service fund accounts and expended only on general obligation bonds. The millage should be adjusted each year so that only enough taxes are collected to service the general obligation bonds.

Town Action: The Town is having difficulty determining what portion of ad valorem taxes are dedicated for general obligation bonds. The Town's clerical personnel are relatively new and are currently working with the Town's CPA to allocate the taxes correctly.

GRAPHS

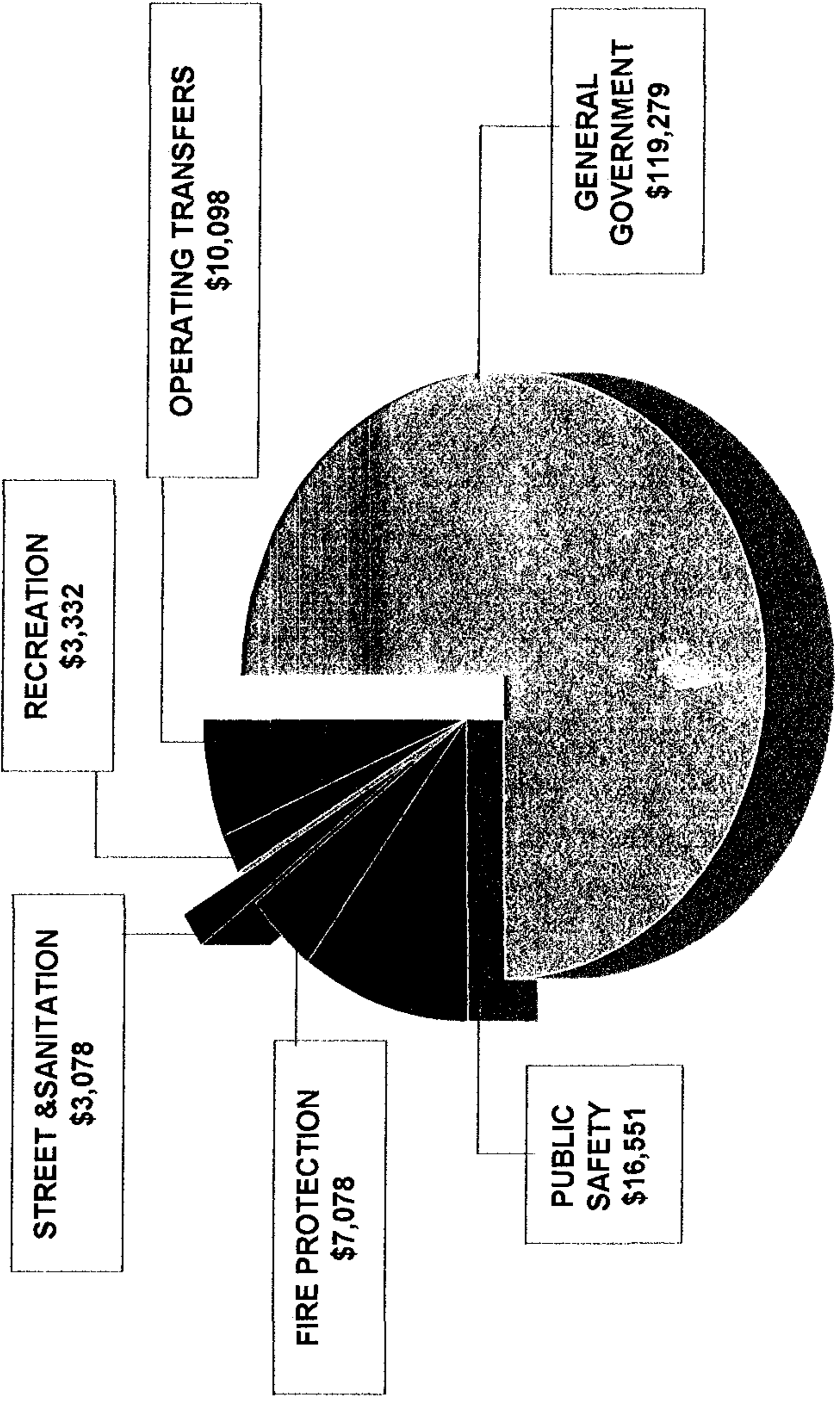
TOWN OF URAMIA

GENERAL FUND REVENUES 6-30-98



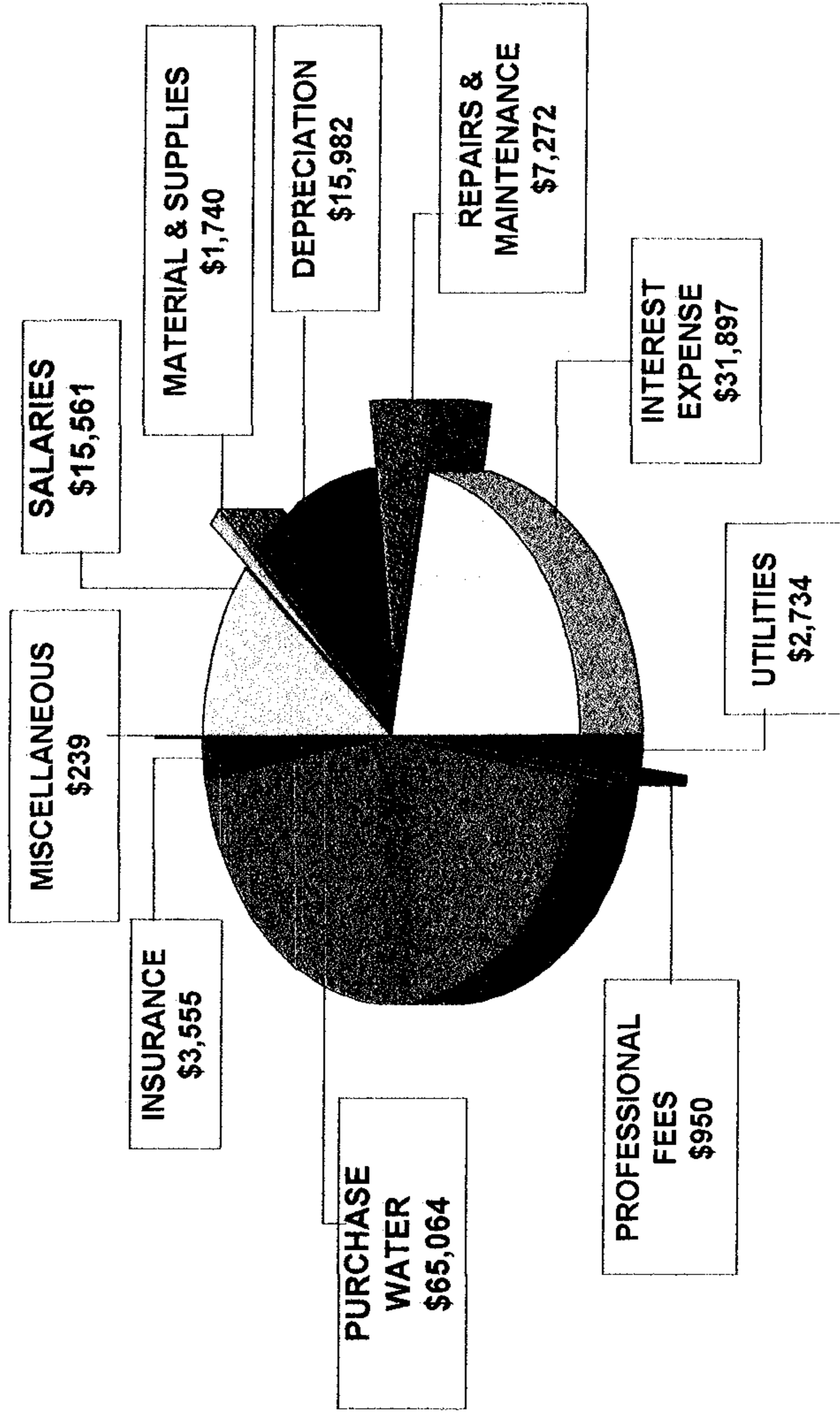
TOWN OF URAMIA

GENERAL FUND EXPENDITURES 6-30-98



TOWN OF URANIA

WATER FUND EXPENSES 6-30-98



TOWN OF URANIA

SEWER FUND EXPENSES 6-30-98

PROFESSIONAL FEES

\$950

INTEREST

\$7,149

MISCELLANEOUS

\$1,933

SALARIES

\$12,227

INSURANCE

\$3,555

MATERIAL &

SUPPLIES

\$1,110

SEWER ANALYSIS

\$1,668

DEPRECIATION

\$14,763

UTILITIES

\$14,314

REPAIR & MAINTENANCE

\$40,550

