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**TOWN OF YOUNGSVILLE, LOUISIANA**

**Financial Report**

**Year Ended June 30, 2004**

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

Release Date 11-17-04

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**INDEPENDENT AUDITORS' REPORT**

The Honorable Wilson Viator, Mayor,  
and Members of the Board of Aldermen  
Town of Youngsville, Louisiana

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

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States and the provisions of Office of Management and Budget Circular A-133, "Audits of States, Local Governments and Nonprofit Organizations. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Youngsville, Louisiana, as of June 30, 2004, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued a report dated September 21, 2004 on our consideration of the Town of Youngsville's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

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The required supplementary information on pages 41 through 45 are not a required part of the basic financial statements but are supplementary information 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 required supplementary information. However, we did not audit the information and express no opinion on it.

The Town of Youngsville has not presented management's discussion and analysis that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be a part of, the basic financial statements.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements that collectively comprise the Town of Youngsville, Louisiana's basic financial statements. The other supplementary information on pages 47 through 63 is presented for purposes of additional analysis and is not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards (page 69) is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is not a required part of the financial statements of the Town of Youngsville, Louisiana. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole. The portions of the other supplementary information section marked "unaudited" (pages 59 and 60) have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

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 basic financial statements, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Youngsville, Louisiana.

***Kolder, Champagne, Slaven & Company, LLC***  
Certified Public Accountants

Lafayette, Louisiana  
September 21, 2004

**BASIC FINANCIAL STATEMENTS**

**GOVERNMENT-WIDE  
FINANCIAL STATEMENTS (GWFS)**

TOWN OF YOUNGSVILLE, LOUISIANA

Statement of Net Assets

June 30, 2004

With Comparative Totals for June 30, 2003

	2004			2003 Totals
	Governmental Activities	Business-Type Activities	Total	
<b>ASSETS</b>				
Current assets:				
Cash and interest-bearing deposits	\$ 813,928	\$ 742,791	\$ 1,556,719	\$ 1,603,286
Receivables, net	81,030	166,450	247,480	253,448
Internal balances	481,069	(481,069)	-	-
Due from other governmental units	64,192	92,388	156,580	13,204
Prepaid items	7,497	-	7,497	5,827
Total current assets	<u>1,447,716</u>	<u>520,560</u>	<u>1,968,276</u>	<u>1,875,765</u>
Noncurrent assets:				
Restricted assets:				
Cash and interest-bearing deposits	-	251,864	251,864	295,753
Capital assets:				
Land and construction in progress	687,862	410,725	1,098,587	1,937,473
Capital assets, net	<u>1,433,105</u>	<u>5,806,759</u>	<u>7,239,864</u>	<u>5,220,343</u>
Total noncurrent assets	<u>2,120,967</u>	<u>6,469,348</u>	<u>8,590,315</u>	<u>7,453,569</u>
Total assets	<u>3,568,683</u>	<u>6,989,908</u>	<u>10,558,591</u>	<u>9,329,334</u>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts, salaries and other payables	161,704	152,853	314,557	243,646
Capital lease payable	24,761	-	24,761	15,694
Bond anticipation note payable	-	-	-	1,379,560
Bonds and notes payable	79,000	80,450	159,450	70,476
Accrued interest	4,907	5,916	10,823	28,427
Total current liabilities	<u>270,372</u>	<u>239,219</u>	<u>509,591</u>	<u>1,737,803</u>
Noncurrent liabilities:				
Customers' deposits	-	76,500	76,500	73,221
Capital lease payable	45,538	-	45,538	47,832
Bonds and notes payable	<u>1,931,622</u>	<u>1,130,570</u>	<u>3,062,192</u>	<u>1,252,778</u>
Total noncurrent liabilities	<u>1,977,160</u>	<u>1,207,070</u>	<u>3,184,230</u>	<u>1,373,831</u>
Total liabilities	<u>2,247,532</u>	<u>1,446,289</u>	<u>3,693,821</u>	<u>3,111,634</u>
<b>NET ASSETS</b>				
Invested in capital assets, net of related debt	1,750,668	3,376,292	5,126,960	4,461,952
Restricted for debt service	37,570	88,998	126,568	123,629
Unrestricted	<u>(467,087)</u>	<u>2,078,329</u>	<u>1,611,242</u>	<u>1,632,119</u>
Total net assets	<u>\$ 1,321,151</u>	<u>\$ 5,543,619</u>	<u>\$ 6,864,770</u>	<u>\$ 6,217,700</u>

The accompanying notes are an integral part of the basic financial statements.



TOWN OF YOUNGSVILLE, LOUISIANA

Statement of Activities  
For the Year Ended June 30, 2004

Activities	Program Revenues			Net (Expense) Revenues and Changes in Net Assets		
	Fees, Fines, and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b>Governmental activities:</b>						
General government	\$ 212,043	\$ -	\$ 8,749	\$ (282,434)	\$ -	\$ (282,434)
Public safety:						
Police	173,107	-	9,498	(321,981)	-	(321,981)
Fire	-	-	12,750	(67,196)	-	(67,196)
Streets	-	-	67,490	(212,351)	-	(212,351)
Interest on long-term debt	-	-	-	(55,891)	-	(55,891)
<b>Total governmental activities</b>	<b>385,150</b>	<b>-</b>	<b>98,487</b>	<b>(939,853)</b>	<b>-</b>	<b>(939,853)</b>
<b>Business-type activities:</b>						
Water	548,824	-	281,906	-	268,848	268,848
Sewer	327,123	-	-	-	19,843	19,843
Sanitation	225,583	-	-	-	9,935	9,935
<b>Total business-type activities</b>	<b>1,101,530</b>	<b>-</b>	<b>281,906</b>	<b>-</b>	<b>298,626</b>	<b>298,626</b>
<b>Total</b>	<b>\$ 1,486,680</b>	<b>\$ -</b>	<b>\$ 380,393</b>	<b>(939,853)</b>	<b>298,626</b>	<b>(641,227)</b>
<b>General revenues:</b>						
Taxes -						
Sales and use taxes, levied for general purposes				1,114,593	-	1,114,593
Franchise taxes				150,789	-	150,789
Grants and contributions not restricted to specific programs -						
State sources				5,240	-	5,240
Interest and investment earnings				962	6,564	7,526
Miscellaneous				10,149	-	10,149
Transfers				(1,279,672)	1,279,672	-
<b>Total general revenues and transfers</b>				<b>2,061</b>	<b>1,286,236</b>	<b>1,288,297</b>
Change in net assets				(937,792)	1,584,862	647,070
Net assets - July 1, 2003				2,258,943	3,958,757	5,421,655
Net assets - June 30, 2004				\$ 1,321,151	\$ 5,543,619	\$ 6,864,770

The accompanying notes are an integral part of the basic financial statements

**FUND FINANCIAL STATEMENTS (FFS)**

## **FUND DESCRIPTIONS**

### **General Fund**

The General Fund is used to account for resources traditionally associated with governments which are not required to be accounted for in another fund.

### **Special Revenue Funds**

Special revenue funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

#### **1968 Sales Tax Fund -**

To account for the receipt and use of proceeds of the Town's 1968 1% sales and use tax. The tax is dedicated to constructing, acquiring, extending, improving and/or maintaining waterworks, sewers and sewerage disposal facilities, including the purchase of equipment therefore 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.

#### **1981 Sales Tax Fund -**

To account for the receipt and use of proceeds of the Town's 1981 1% sales and use tax. The tax is dedicated and used for the purpose of providing funds to maintain the Town's police force, including the acquisition of equipment and furnishings therefor, the construction and/ or acquisition of buildings, and paying employees' and policemen's salaries.

#### **1999 Sales Tax Fund -**

To account for the receipt and use of proceeds of the Town's 1999 1/2% sales and use tax. The tax is dedicated to constructing, acquiring, improving, maintaining and operating sewers and sewerage disposal works for the Town and to be funded into bonds.

### **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

Balance Sheet  
Governmental Funds  
June 30, 2004

With Comparative Totals as of June 30, 2003

	1968	1981	1999	Police Station Construction	Other Governmental Funds	Totals	
						2004	(Memorandum Only) 2003
	General	Sales Tax Special Revenue	Sales Tax Special Revenue				
<b>ASSETS</b>							
Cash and interest-bearing deposits	\$ 85,279	\$ 214,417	\$ 278,994	\$ 71,058	\$ 42,418	\$ 813,928	\$ 815,801
Receivables:							
Taxes	3,134	-	-	-	-	80,731	108,646
Accrued interest	23	179	-	-	-	299	328
Due from other funds	312,057	135,982	41,763	-	2,486	551,364	293,592
Due from other governmental agencies	26,124	3,497	-	-	34,571	64,192	13,204
Prepaid items	3,763	3,734	-	-	-	7,497	5,827
Total assets	<u>\$ 430,380</u>	<u>\$ 357,809</u>	<u>\$ 320,757</u>	<u>\$ 71,058</u>	<u>\$ 79,475</u>	<u>\$ 1,518,011</u>	<u>\$ 1,237,398</u>
<b>LIABILITIES AND FUND BALANCES</b>							
Liabilities:							
Accounts payable	\$ 15,156	\$ 4,793	\$ 345	\$ -	\$ -	\$ 20,984	\$ 34,116
Contracts payable	-	-	-	56,412	35,789	92,201	74,758
Retainage payable	-	-	-	13,057	-	13,057	8,306
Accrued liabilities	23,074	12,388	-	-	-	35,462	21,112
Due to other funds	500	4,097	59,076	1,040	1,209	70,295	114,390
Total liabilities	<u>38,730</u>	<u>21,278</u>	<u>59,421</u>	<u>70,509</u>	<u>36,998</u>	<u>231,999</u>	<u>252,682</u>
Fund balances -							
Reserved for prepaid items	3,763	3,734	-	-	-	7,497	5,827
Reserved for debt service	-	-	-	-	42,477	42,477	-
Unreserved	387,887	332,797	261,336	549	-	1,236,038	978,889
Total fund balances	<u>391,650</u>	<u>336,531</u>	<u>261,336</u>	<u>549</u>	<u>42,477</u>	<u>1,286,012</u>	<u>984,716</u>
Total liabilities and fund balances	<u>\$ 430,380</u>	<u>\$ 357,809</u>	<u>\$ 320,757</u>	<u>\$ 71,058</u>	<u>\$ 79,475</u>	<u>\$ 1,518,011</u>	<u>\$ 1,237,398</u>

The accompanying notes are an integral part of the basic financial statements.

TOWN OF YOUNGSVILLE, LOUISIANA

Reconciliation of the Governmental Funds Balance Sheet  
to the Statement of Net Assets  
June 30, 2004

Total fund balances for governmental funds at June 30, 2004		\$1,286,012
Total net assets reported for governmental activities in the statement of net assets is different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of:		
Land and construction in progress	\$ 687,862	
Buildings, net of \$65,374 accumulated depreciation	205,911	
Infrastructure, net of \$261,649 accumulated depreciation	846,107	
Equipment net of \$395,741 accumulated depreciation	<u>381,087</u>	2,120,967
Long-term liabilities at June 30, 2004:		
Capital lease payable	(70,299)	
Bonds payable	(2,010,622)	
Accrued interest payable	<u>(4,907)</u>	<u>(2,085,828)</u>
Total net assets of governmental activities at June 30, 2004		<u>\$1,321,151</u>

The accompanying notes are an integral part of the basic financial statements.

TOWN OF YOUNGSVILLE, LOUISIANA

Statement of Revenues, Expenditures, and Changes in Fund Balances-  
Governmental Funds

For the Year Ended June 30, 2004

With Comparative Totals for the Year Ended June 30, 2003

	1968	1981	1999	Police Station Construction		Other Governmental Funds	Totals (Memorandum Only)	
				1968	1981		1999	2004
<b>Revenues:</b>								
Taxes	\$ 150,789	\$ 445,837	\$ 222,919	\$ -	\$ -	\$ -	\$ 1,265,382	\$ 1,259,420
Licenses and permits	212,043	-	-	-	-	-	212,043	194,157
Intergovernmental	26,739	9,498	-	-	67,490	-	103,727	338,219
Fines and forfeits	173,107	-	-	-	-	-	173,107	133,770
Miscellaneous	4,744	5,573	128	113	-	-	11,111	14,056
Total revenues	<u>567,422</u>	<u>446,908</u>	<u>223,047</u>	<u>113</u>	<u>67,490</u>	<u>67,490</u>	<u>1,765,370</u>	<u>1,939,622</u>
<b>Expenditures:</b>								
Current -								
General government	457,469	5,161	3,457	-	60	-	471,925	404,448
Public safety:								
Police	-	461,393	-	-	-	-	461,393	390,798
Fire	66,586	-	-	-	-	-	66,586	58,027
Streets	223,094	-	-	-	-	-	223,094	626,550
Capital outlay	502,819	53,970	-	299,564	69,916	-	926,269	370,730
Debt service	20,014	-	30,924	-	108,756	-	159,694	-
Total expenditures	<u>1,269,982</u>	<u>520,524</u>	<u>34,381</u>	<u>299,564</u>	<u>178,732</u>	<u>178,732</u>	<u>2,308,961</u>	<u>1,850,553</u>
Excess (deficiency) of revenues over expenditures	<u>(702,560)</u>	<u>(59,616)</u>	<u>188,666</u>	<u>(299,451)</u>	<u>(111,242)</u>	<u>(111,242)</u>	<u>(543,591)</u>	<u>89,069</u>
<b>Other financing sources (uses):</b>								
Proceeds from issuance of debt	-	-	1,800,000	300,000	-	-	2,100,000	-
Proceeds from capital lease	24,559	-	-	-	-	-	24,559	66,084
Transfers in	940,425	57,500	101,000	-	153,719	-	1,252,644	517,250
Transfers out	(57,500)	(5,160)	(2,043,656)	-	-	-	(2,532,316)	(817,250)
Total other financing sources (uses)	<u>907,484</u>	<u>52,340</u>	<u>(142,656)</u>	<u>300,000</u>	<u>153,719</u>	<u>153,719</u>	<u>844,887</u>	<u>(233,916)</u>
Net changes in fund balances	204,924	14,612	46,010	549	42,477	-	301,296	(144,847)
Fund balances beginning	186,726	343,807	215,326	-	-	-	984,716	1,129,563
Fund balances, ending	<u>\$ 391,650</u>	<u>\$ 336,531</u>	<u>\$ 261,336</u>	<u>\$ 549</u>	<u>\$ 42,477</u>	<u>\$ 42,477</u>	<u>\$ 1,286,012</u>	<u>\$ 984,716</u>

The accompanying notes are an integral part of the basic financial statements.

TOWN OF YOUNGSVILLE, LOUISIANA

Reconciliation of the Statement of Revenues, Expenditures, and  
Changes in Fund Balances of Governmental Funds  
to the Statement of Activities  
For the Year Ended June 30, 2004

Total net changes in fund balances at June 30, 2004 per Statement of Revenues, Expenditures and Changes in Fund Balances		\$ 301,296
The change in net assets reported for governmental activities in the statement of activities is different because:		
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.</p>		
Capital outlay which is considered expenditures on Statement of Revenues, Expenditures and Changes in Fund Balances	\$ 926,269	
Depreciation expense for the year ended June 30, 2004	<u>(143,055)</u>	783,214
Principal paid on long term debt considered as an expenditure on statement		77,786
Proceeds from capital lease		(24,559)
Proceeds from bond issuance		(2,100,000)
<p>Governmental funds report the effect of issuance costs when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of the difference in treatment of issuance costs.</p>		
		29,378
Difference between interest on long-term debt on modified accrual basis versus interest on long-term debt on accrual basis		<u>(4,907)</u>
Total changes in net assets at June 30, 2004 per Statement of Activities		<u>\$ (937,792)</u>

The accompanying notes are an integral part of the basic financial statements.

TOWN OF YOUNGSVILLE, LOUISIANA

Comparative Statement of Net Assets  
Proprietary Fund  
June 30, 2004 and 2003

	<u>2004</u>	<u>2003</u>
ASSETS		
Current assets:		
Cash	\$ 375,449	\$ 348,937
Interest-bearing deposits, at cost	367,342	438,548
Receivables:		
Accounts receivable	117,941	103,868
Unbilled utility receivables	45,726	38,387
Accrued interest receivable	2,783	2,219
Due from other funds	-	17,365
Due from other governmental units	<u>92,388</u>	<u>-</u>
Total current assets	<u>1,001,629</u>	<u>949,324</u>
Noncurrent assets:		
Restricted assets -		
Cash	43,780	61,990
Interest -bearing deposits, at cost	208,084	233,763
Capital assets:		
Land and construction in progress	410,725	1,863,265
Other capital assets, net of accumulated depreciation	<u>5,806,759</u>	<u>3,956,798</u>
Total noncurrent assets	<u>6,469,348</u>	<u>6,115,816</u>
Total assets	<u>7,470,977</u>	<u>7,065,140</u>
LIABILITIES		
Current liabilities:		
Accounts payable	28,382	21,458
Contracts payable	91,155	-
Retainage payable	26,392	76,972
Bond anticipation note payable	-	1,379,560
Accrued interest on bond anticipation note	-	19,221
Other liabilities	6,924	6,924
Due to other funds	481,069	196,567
Payable from restricted assets -		
Revenue bonds	80,450	70,476
Accrued interest	5,916	9,206
Customers' deposits	<u>76,500</u>	<u>73,221</u>
Total current liabilities	796,788	1,853,605
Noncurrent liabilities:		
Revenue bonds and notes payable	<u>1,130,570</u>	<u>1,252,778</u>
Total liabilities	<u>1,927,358</u>	<u>3,106,383</u>
NET ASSETS		
Invested in capital assets, net of related debt	3,376,292	3,187,725
Restricted for debt service	88,998	123,629
Unrestricted	<u>2,078,329</u>	<u>647,403</u>
Total net assets	<u>\$5,543,619</u>	<u>\$3,958,757</u>

The accompanying notes are an integral part of the basic financial statements.



TOWN OF YOUNGSVILLE, LOUISIANA

Comparative Statement of Revenues, Expenses, and Changes in Fund Net Assets -  
Proprietary Fund  
For the Years Ended June 30, 2004 and 2003

	<u>2004</u>	<u>2003</u>
Operating revenues:		
Charges for services -		
Water sales	\$ 492,653	\$ 434,815
Sewer service charges	321,175	260,052
Sanitation charges	221,618	200,093
Miscellaneous	<u>66,084</u>	<u>69,485</u>
Total operating revenues	<u>1,101,530</u>	<u>964,445</u>
Operating expenses:		
Water department	533,438	452,106
Sewerage department	279,155	237,073
Sanitation department	<u>215,648</u>	<u>191,191</u>
Total operating expenses	<u>1,028,241</u>	<u>880,370</u>
Operating income	<u>73,289</u>	<u>84,075</u>
Nonoperating revenues (expenses):		
Interest income	6,564	4,632
Interest expense	(53,236)	(77,320)
Paying agent fees	(1,996)	(975)
Amortization - bond issue cost	<u>(1,337)</u>	<u>(1,337)</u>
Total nonoperating expenses	<u>(50,005)</u>	<u>(75,000)</u>
Income before contributions and transfers	<u>23,284</u>	<u>9,075</u>
Capital contributions	<u>281,906</u>	<u>434,529</u>
Transfers in (out):		
Transfers in	2,265,000	817,250
Transfers out	<u>(985,328)</u>	<u>(517,250)</u>
Total transfers in (out)	<u>1,279,672</u>	<u>300,000</u>
Change in net assets	1,584,862	743,604
Net assets, beginning	<u>3,958,757</u>	<u>3,215,153</u>
Net assets, ending	<u>\$5,543,619</u>	<u>\$3,958,757</u>

The accompanying notes are an integral part of the basic financial statements.

TOWN OF YOUNGSVILLE, LOUISIANA

Comparative Statement of Cash Flows  
Proprietary Fund  
For the Years Ended June 30, 2004 and 2003

	<u>2004</u>	<u>2003</u>
Cash flows from operating activities:		
Receipts from customers	\$ 1,035,648	\$ 895,607
Payments to suppliers	(668,749)	(650,507)
Payments to employees	(172,812)	(135,938)
Other receipts	<u>66,084</u>	<u>69,485</u>
Net cash provided by operating activities	<u>260,171</u>	<u>178,647</u>
 Cash flows from noncapital financing activities:		
Cash received from other funds	301,866	16,813
Transfers from other funds	2,265,000	817,250
Transfers to other funds	<u>(985,328)</u>	<u>(517,250)</u>
Net cash provided by noncapital financing activities	<u>1,581,538</u>	<u>316,813</u>
 Cash flows from capital and related financing activities:		
Principal paid on revenue bonds and notes payable	(820,621)	(62,874)
Principal paid on bond anticipation notes payable	(1,379,560)	-
Interest and fiscal charges paid on revenue bonds and notes payable	(77,743)	(78,733)
Unamortized issuance costs and loss on issuance of debt	(62,950)	-
Proceeds from bond anticipation notes payable	-	1,323,655
Proceeds from revenue bonds and notes payable	770,000	-
Increase in customer deposits payable	3,279	12,163
Acquisition of property, plant and equipment	(558,216)	(1,777,688)
Proceeds from grants	<u>189,518</u>	<u>469,962</u>
Net cash used by capital and related financing activities	<u>(1,936,293)</u>	<u>(113,515)</u>
 Cash flows from investing activities:		
Purchase of interest-bearing deposits	(396,092)	(459,514)
Maturities of interest-bearing deposits	459,514	16,956
Interest on investments	<u>6,000</u>	<u>2,785</u>
Net cash provided (used) by investing activities	<u>69,422</u>	<u>(439,773)</u>
 Net decrease in cash and cash equivalents	(25,162)	(57,828)
 Cash and cash equivalents, beginning of period	<u>623,724</u>	<u>681,552</u>
 Cash and cash equivalents, end of period	<u>\$ 598,562</u>	<u>\$ 623,724</u>

(continued)

TOWN OF YOUNGSVILLE, LOUISIANA

Comparative Statement of Cash Flows  
Proprietary Fund - (Continued)  
For the Years Ended June 30, 2004 and 2003

	2004	2003
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$ 73,289	\$ 84,075
Adjustments to reconcile operating increase to net cash provided by operating activities:		
Depreciation	201,370	163,199
Changes in current assets and liabilities:		
Increase in accounts receivable	(14,073)	(21,040)
Increase in unbilled utility receivable	(7,339)	(4,104)
Increase (decrease) in accounts payable	6,924	(21,366)
Increase (decrease) in other liabilities	-	(22,117)
Net cash provided by operating activities	\$ 260,171	\$ 178,647
Reconciliation of cash and cash equivalents per statement of cash flows to the balance sheet:		
Cash and cash equivalents, beginning of period -		
Cash - unrestricted	\$ 348,937	\$ 288,409
Interest-bearing deposits - unrestricted	438,548	84,056
Cash - restricted	61,990	144,928
Interest-bearing deposits - restricted	233,763	181,115
Less: Interest-bearing deposits with a maturity over three months	(459,514)	(16,956)
Total cash and cash equivalents	623,724	681,552
Cash and cash equivalents, end of period -		
Cash - unrestricted	375,448	348,937
Interest-bearing deposits - unrestricted	367,342	438,548
Cash - restricted	43,780	61,990
Interest-bearing deposits - restricted	208,084	233,763
Less: Interest-bearing deposits with a maturity over three months	(396,092)	(459,514)
Total cash and cash equivalents	598,562	623,724
Net decrease	\$ (25,162)	\$ (57,828)

The accompanying notes are an integral part of the basic financial statements.

## TOWN OF YOUNGSVILLE, LOUISIANA

### Notes to Basic Financial Statements

#### (1) Summary of Significant Accounting Policies

The accompanying financial statements of the Town of Youngsville (Town) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. In the government-wide financial statements and the fund financial statements for the proprietary funds, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions on or before November 30, 1989, have been applied unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this note.

##### A Financial Reporting Entity

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

This report includes all funds 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 include the Youngsville Volunteer Fire Department and the Youngsville Auxiliary Police Department. Although the Town does provide facilities and some of their financing, no control is exercised over their operations.

##### B. Basis of Presentation

###### Government-Wide Financial Statements (GWFS)

The statement of net assets and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

## TOWN OF YOUNGSVILLE, LOUISIANA

### Notes to Basic Financial Statements (Continued)

The statement of activities presents a comparison between direct expenses and program revenues for the business-type activities of the Town and for each function of the Town's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

#### Fund Financial Statements

The accounts of the Town are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

The various funds of the Town are classified into two categories: governmental and proprietary. The emphasis on fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. A fund is considered major if it is the primary operating fund of the Town or meets the following criteria:

- a. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type: and
- b. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The major funds of the Town are described below:

#### 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 Basic Financial Statements (Continued)

Special Revenue Funds

1968 Sales Tax Fund -

The 1968 Sales Tax Fund is used to account for the proceeds of a one percent sales and use tax that is legally restricted to expenditures for specific purposes.

1981 Sales Tax Fund -

The 1981 Sales Tax Fund is used to account for the proceeds of a one percent sales and use tax that is legally restricted to expenditures for specific purposes.

1999 Sales Tax Fund -

The 1999 Sales Tax Fund is used to account for the proceeds of a half percent sales and use tax that is legally restricted to expenditures for specific purposes.

Police Station Construction Fund -

The Police Station Construction Fund is used to account for the construction of a facility to be occupied by the police department.

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.

C. Measurement Focus/Basis of Accounting

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

## TOWN OF YOUNGSVILLE, LOUISIANA

### Notes to Basic Financial Statements (Continued)

#### Measurement Focus

On the government-wide statement of net assets and the statement of activities, both governmental and business-type activities are presented using the economic resources measurement focus as defined in item b. below.

In the fund financial statements, the "current financial resources" measurement focus or the "economic resources" measurement focus is used as appropriate:

- a. All governmental funds utilize a "current financial resources" measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.
- b. The proprietary fund utilizes an "economic resources" measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net assets (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Proprietary fund equity is classified as net assets.

#### Basis of Accounting

In the government-wide statement of net assets and statement of activities, both governmental and business-type activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33 "Accounting and Financial Reporting for Nonexchange Transactions."

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures (including capital outlay) generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

## TOWN OF YOUNGSVILLE, LOUISIANA

### Notes to Basic Financial Statements (Continued)

The proprietary fund utilizes the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used.

#### D. Assets, Liabilities and Equity

##### Cash and interest-bearing deposits

For purposes of the statement of net assets, cash and interest-bearing deposits include all demand accounts, savings accounts, and certificates of deposits of the Town. For the purpose of the proprietary fund statement of cash flows, "cash and cash equivalents" include all demand and savings accounts, and certificates of deposit or short-term investments with an original maturity of three months or less.

##### Interfund receivables and payables

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Those related to goods and services type transactions are classified as "due to and from other funds." Short-term interfund loans are reported as "interfund receivables and payables." Long-term interfund loans (noncurrent portion) are reported as "advances from and to other funds." Interfund receivables and payables between funds within governmental activities are eliminated in the statement of net assets.

##### Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Major receivable balances for the governmental activities include sales and use taxes and franchise taxes. Business-type activities report customer's utility service receivables as their major receivables. Uncollectible utility service 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, 2004. 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.

##### Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets are reported in the applicable governmental or business-type activities columns in the government-wide or financial statements. Capital assets are capitalized at historical cost or estimated cost if historical is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Town maintains a threshold level of \$500 or more for capitalizing capital assets.



TOWN OF YOUNGSVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Prior to July 1, 2001, governmental funds' infrastructure assets were not capitalized. These assets have been valued at estimated historical cost.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation reflected in the statement of net assets. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Buildings	40 years
Equipment	5 years
Utility system and improvements	20-40 years
Infrastructure	20 years

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same as in the government-wide statements.

Restricted Assets

Restricted assets include cash and interest-bearing deposits of the proprietary fund that are legally restricted as to their use. The restricted assets are related to the revenue bond accounts and utility meter deposits.

Long-term debt

The accounting treatment of long-term debt depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

All long-term debt to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements. The long-term debt consists primarily of the revenue bonds payable and utility meter deposits payable.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principle and interest reported as expenditures. The accounting for proprietary fund long-term debt is the same in the fund statements as it is in the government-wide statements.

TOWN OF YOUNGSVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Compensated Absences

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, 2004.

Equity Classifications

In the government-wide statements, equity is classified as net assets and displayed in three components:

- a. Invested in capital assets, net of related debt – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net assets – All other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

In the fund statements, governmental fund equity is classified as fund balance. Fund balance is further classified as reserved and unreserved, with unreserved further split between designated and undesignated. Proprietary fund equity is classified the same as in the government-wide statements.

E. Revenues, Expenditures, and Expenses

Operating Revenues and Expenses

Operating revenues and expenses for proprietary funds are those that result from providing services and producing and delivering goods and/or services. It also includes all revenue and expenses not related to capital and related financing, noncapital financing, or investing activities.

Expenditures/Expenses

In the government-wide financial statements, expenses are classified by function for both governmental and business-type activities.

TOWN OF YOUNGSVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

In the fund financial statements, expenditures are classified as follows:

Governmental Funds - By Character  
Proprietary Fund - By Operating and Nonoperating

In the fund financial statements, governmental funds report expenditures of financial resources. Proprietary funds report expenses relating to use of economic resources.

Interfund Transfers

Permanent reallocations of resources between funds of the reporting entity are classified as interfund transfers. For the purposes of the statement of activities, all interfund transfers between individual governmental funds have been eliminated.

F. Revenue Restrictions

The Town has various restrictions placed over certain revenue sources from state or local requirements. The primary restricted revenue sources include:

<u>Revenue Source</u>	<u>Legal Restrictions of Use</u>
Sales Tax	See Note 3
Water and Sewer Revenue	Debt Service and Utility Operations

The Town uses unrestricted resources only when restricted resources are fully depleted.

G. 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.

TOWN OF YOUNGSVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

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.

H. 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 capital assets. At June 30, 2004, there were no borrowing for assets under construction and no capitalized interest expense was recorded on the books.

I. Bond Discount and Bond Issue Costs

Bond discount and bond issue costs are being amortized by the straight-line method over the life of the related bond.

J. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

K. Report Classification

Certain previously reported amounts for the year ended June 30, 2003 have been reclassified to conform to the June 30, 2004 classifications.

(2) Ad Valorem Taxes

Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied in September or October and are actually billed to taxpayers in December. Billed taxes become delinquent on January 1 of the following year. For the years ended June 30, 2004 and 2003, the Town of Youngsville elected to suspend the assessment and collection of ad valorem taxes.

TOWN OF YOUNGSVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

(3) Sales and Use Tax

- A. Proceeds of a 1 percent sales and use tax (accounted for in the 1968 Sales Tax Fund - a special revenue fund) levied by the Town of Youngsville (2004 collections \$445,837) are dedicated to the following purposes:

Constructing, acquiring, extending, improving and/or maintaining sewers and sewerage disposal works, and waterworks, including the purchase of equipment therefore, title to which improvements shall be in the public name, or for any one or more of said purposes. The tax is also subject to funding into bonds of the Town in the manner authorized in the Louisiana Revised Statutes. As of June 30, 2004, the net sales tax proceeds are dedicated to paying the Town's \$210,000 Sewer Utility Revenue bonds dated May 4, 1979 and \$770,000 Water Utility Bonds dated March 1, 2004.

- B. Proceeds of a 1% sales and use tax levied by the Town of Youngsville (accounted for in the 1981 Sales Tax Fund – a special revenue fund) levied by the Town of Youngsville (2004 collections \$445,837) 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 therefore, the construction and/or acquisition of buildings to house such facilities and paying employees' and policemen's salaries.

- C. Proceeds of a 1/2% percent sales and use tax (accounted for in the 1999 Sales Tax Fund - a special revenue fund) levied by the Town of Youngsville (2004 collections \$222,919) beginning September 1, 2000 are dedicated to the following purposes:

Constructing, acquiring, improving, maintaining and operating sewers and sewerage disposal works for the Town, and to be funded into bonds. As of June 30, 2004, the net sales tax proceeds are dedicated to paying the Town's \$1.8 million Sales Tax Bonds dated October 9, 2003.

(4) 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, 2004, the Town had cash and interest-bearing deposits (book balances) totaling \$1,808,583 as follows:

Demand deposits	\$ 1,047,122
Money market accounts	135,341
Time deposits	626,120
Total	<u>\$ 1,808,583</u>

TOWN OF YOUNGSVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

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, 2004 were secured as follows:

Bank balances	<u>\$ 1,918,817</u>
Federal deposit insurance	\$ 200,000
Pledged securities (Category 3)	<u>1,718,817</u>
Total FDIC insurance and pledged securities	<u>\$ 1,918,817</u>

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

(5) Receivables

Receivables at June 30, 2004 of \$247,480 consist of the following:

	Governmental Activities			Business-type	Total
	General Fund	1968 Sales Tax Fund	1981 Sales Tax Fund	Utility Fund	
Accounts Unbilled	\$ -	\$ -	\$ -	\$ 117,941	\$ 117,941
Taxes:					-
Franchise tax	3,134	-	-	-	3,134
Sales tax	-	77,597	-	-	77,597
Interest	<u>23</u>	<u>97</u>	<u>179</u>	<u>2,783</u>	<u>3,082</u>
Totals	<u>\$ 3,157</u>	<u>\$ 77,694</u>	<u>\$ 179</u>	<u>\$ 166,450</u>	<u>\$ 247,480</u>

TOWN OF YOUNGSVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

(6) Due from Other Governmental Units

*Amounts due from other governmental units at June 30, 2004 consisted of the following:*

Amount due from the State of Louisiana for street department equipment grant revenue earned during the year ending June 30, 2004.	\$ 8,749
Amount due from Lafayette Consolidated Government for reimbursement for the resurfacing of Bonin Road.	17,375
Amount due from the State of Louisiana for police department equipment grant revenue earned during the year ending June 30, 2004.	3,497
Amount due from the State of Louisiana for Youngsville Parkway Project grant revenue earned during the year ending June 30, 2004.	34,571
Amount due from the State of Louisiana for Louisiana Community Development Block Grant revenue earned during the year ending June 30, 2004.	47,074
Amount due from the State of Louisiana for infrastructure grant revenue earned for the year ending June 30, 2004.	<u>45,314</u>
	<u>\$ 156,580</u>

(7) Restricted Assets - Proprietary Fund Type

Restricted assets consisted of the following at June 30, 2004:

Revenue bond and interest sinking account	\$ 17,665
Revenue bond reserve account	104,982
Revenue bond contingency account	52,070
Customers' deposits	76,500
Revenue bond construction fund	<u>647</u>
Total restricted assets	<u>\$251,864</u>

TOWN OF YOUNGSVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

(8) Capital Assets

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

	Balance 07/01/03	Additions	Deletions	Balance 06/30/04
<b>Governmental activities:</b>				
Capital assets not being depreciated:				
Land and construction in progress	\$ 74,208	\$ 613,654	\$ -	\$ 687,862
Other capital assets:				
Buildings	271,285	-	-	271,285
Infrastructure	871,978	235,778	-	1,107,756
Equipment	664,787	136,389	24,348	776,828
Totals	<u>1,882,258</u>	<u>985,821</u>	<u>24,348</u>	<u>2,843,731</u>
Less accumulated depreciation				
Buildings	58,416	6,958	-	65,374
Infrastructure	215,959	45,689	-	261,648
Equipment	329,682	90,408	24,348	395,742
Total accumulated depreciation	<u>604,057</u>	<u>143,055</u>	<u>24,348</u>	<u>722,764</u>
Governmental activities, capital assets, net	<u>\$ 1,278,201</u>	<u>\$ 842,766</u>	<u>\$ -</u>	<u>\$ 2,120,967</u>
<b>Business-type activities:</b>				
Capital assets not being depreciated:				
Land - sewer system	\$ 81,829	\$ -	\$ -	\$ 81,829
Construction in progress	1,781,436	578,567	2,031,108	328,895
Other capital assets:				
Water system	3,237,898	20,223	-	3,258,121
Sewer system	2,540,070	2,031,108	-	4,571,178
Machinery and equipment	242,250	-	-	242,250
Totals	<u>7,883,483</u>	<u>2,629,898</u>	<u>-</u>	<u>8,482,273</u>
Less accumulated depreciation				
Water system	769,450	104,216	-	873,666
Sewer system	1,101,024	90,086	-	1,191,110
Machinery and equipment	192,946	7,067	-	200,013
Total accumulated depreciation	<u>2,063,420</u>	<u>201,369</u>	<u>-</u>	<u>2,264,789</u>
Business-type activities, capital assets, net	<u>\$ 5,820,063</u>	<u>\$ 2,428,529</u>	<u>\$ 2,031,108</u>	<u>\$ 6,217,484</u>



TOWN OF YOUNGSVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Depreciation expense was charged to governmental activities as follows:

General government	\$ 29,755
Police	43,193
Fire	13,360
Streets	<u>56,747</u>
 Total depreciation expense	 <u>\$ 143,055</u>

Depreciation expense was charged to business-type activities as follows:

Water	\$109,820
Sewer	<u>91,549</u>
 Total depreciation expense	 <u>\$201,369</u>

(9) Accounts, Salaries, and Other Payables

The accounts, salaries, and other payables consisted of the following at June 30, 2004:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Accounts	\$ 20,984	\$ 28,382	\$ 49,366
Contracts and retainage	105,258	117,547	222,805
Other liabilities	<u>35,462</u>	<u>6,924</u>	<u>42,386</u>
 Totals	 <u>\$ 161,704</u>	 <u>\$152,853</u>	 <u>\$314,557</u>

TOWN OF YOUNGSVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

(10) Changes in Long-Term Debt

The following is a summary of long-term debt transactions of the Town for the year ended June 30, 2004:

	Governmental Activities		Business-type Activities
	General Obligation Bonds	Capital Lease	Revenue Bonds and Certificates
	Long-term debt payable, July 1, 2003	\$ -	\$ 63,526
Long-term debt issued	2,100,000	24,559	770,000
Long-term debt retired	<u>(60,000)</u>	<u>(17,786)</u>	<u>(820,476)</u>
Long-term debt payable, June 30, 2004	<u>\$ 2,040,000</u>	<u>\$ 70,299</u>	<u>\$ 1,290,453</u>

Long-term debt payable at June 30, 2004 is comprised of the following:

General Obligation bonds -

\$255,000 Police Station Bonds, dated August 1, 2003; due in annual installments of \$7,000 to \$26,000 through August 1, 2018; interest at 4.00 percent; payable from 1981 sales tax revenues	\$ 255,000
\$45,000 Police Station Bonds, dated August 1, 2003; due in annual installments of \$9,000 from August 1, 2004 through August 1, 2008; payable from 1981 sales tax revenues	45,000
\$1,800,000 2003 Sales Tax Bonds, dated October 9, 2003; annual installments of \$60,000 to \$128,000 through June 1, 2023; interest at 3.45 percent; payable from 1999 sales tax revenues	<u>1,740,000</u>
Total general obligation bonds payable	2,040,000
Less: Unamortized issuance costs	<u>(29,378)</u>
Net general obligation bonds payable	<u>\$2,010,622</u>

TOWN OF YOUNGSVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Capital leases -

\$66,084 equipment lease dated April 1, 2003, due in monthly installments of \$1,485, including interest at 3.79%, through April 25, 2007, secured by General Fund revenues	\$ 47,832
\$24,559 equipment lease dated June 1, 2004, due in monthly installments of \$727, including interest at 4.75% through April 1, 2007, secured by General Fund revenues	<u>22,467</u>
Total capital leases payable	<u>\$ 70,299</u>

Revenue bonds -

\$210,000 1979 Sewer Utility Revenue Bonds, dated May 4, 1979; due in annual installments of \$6,000 to \$12,000 through May 4, 2019; interest at 5 percent; secured by Utility Fund revenues	\$ 129,000
\$700,000 1997 Water Revenue Bonds, dated December 1, 1997; due in one annual installment of \$30,000 on May 1, 2005; interest at 5.75 percent; secured by Utility Fund revenues	30,000
\$456,000 1998 Sewer Utility Revenue Bonds, dated January 20, 1998; due in monthly installments of \$3,073 from February 20, 1999 through January 20, 2018; interest at 4.875 percent; secured by Utility Fund revenues	361,453
\$770,000 2004 Water Revenue Refunding Bonds, dated March 1, 2004; due in annual installments of \$25,000 to \$95,000 through May 1, 2015; interest at 3.70 percent; secured by Utility Fund revenues	<u>770,000</u>
Total revenue bonds payable	1,290,453
Less: Unamortized loss on refunding	(47,489)
Less: Unamortized issuance costs	<u>(31,944)</u>
Net revenue bonds payable	<u>\$ 1,211,020</u>

TOWN OF YOUNGSVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

The long-term debt is due as follows:

Year ending June 30,	Governmental Activities		Business-type Activities	
	Principal payments	Interest payments	Principal payments	Interest payments
2005	\$ 103,132	\$ 72,520	\$ 80,450	\$ 54,097
2006	107,581	69,057	86,421	50,175
2007	104,586	65,464	93,441	46,635
2008	88,000	62,428	94,473	42,848
2009	90,000	59,658	100,635	38,931
2010-2014	510,000	248,124	569,081	129,431
2015-2019	599,000	149,192	265,952	23,059
2020-2023	508,000	42,434	-	-
Total	<u>\$ 2,110,299</u>	<u>\$ 768,877</u>	<u>\$ 1,290,453</u>	<u>\$ 385,176</u>

The Town issued \$770,000 of water revenue refunding bonds to provide resources to purchase U.S. Government securities that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments of \$230,000 of 1994 water revenue bonds and \$520,000 of 1997 water revenue bonds. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the business-type activities column of the statement of net assets. The reacquisition price exceeded the net carrying amount of the old debt by \$57,755. This amount is being netted against the new debt and amortized over the new debt's life, which is shorter than the life of the refunded debt. This advance refunding was undertaken to reduce total debt service payments over the next 12 years by \$68,111 and resulted in an economic gain of \$34,857.

(11) Flow of Funds; Restrictions on Use – Utilities and Sales Tax Revenues

Utility Revenue Bonds:

- A. Under the terms of the Bond indenture 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.

TOWN OF YOUNGSVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

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.

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 indenture 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.

TOWN OF YOUNGSVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

- C. Under the terms of the Bond indenture 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" the amount of \$3,073 for 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" the amount of \$154 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.

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 indenture on outstanding Water Utility Refunding Bonds dated March 1, 2004, 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 1/6 of the next interest payment and a sum equal to 1/12 of the next maturing installment of principal 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.

TOWN OF YOUNGSVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

There shall also be retained in the "Bond Reserve Fund" the amount of \$77,000. 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.

Funds will also be retained in the "Contingency Fund" in the amount of \$20,000. 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.

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.

Sales Tax Revenue Bonds:

- E. Under the terms of the Bond indenture on outstanding Sales Tax Bonds dated October 9, 2003, all proceeds derived from the levy and collection of the 1999 sales tax 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 "1/2% Sales Tax Bond Sinking Fund - 2003" an amount constituting 1/12 of the interest, administrative fee, and principal due on the outstanding bonds for the bond year. 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 will be set aside into a fund called the "1/2% Sales Tax Bond Reserve Fund - 2003" an amount equal to 25% of the amount required to be paid into the sinking fund until such time as there has been accumulated therein a sum equal to the highest combined principal and interest in any future bond year. Such amounts may be used only for the payment of maturing bonds and interest for which sufficient funds are not on deposit in the Bond and Interest Sinking Fund and as to which there would otherwise be default.

The Town of Youngsville was in compliance with all significant limitations and restrictions in the bond indentures at June 30, 2004.

TOWN OF YOUNGSVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

(12) 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 years ended June 30, 2004, 2003 and 2002 amounted to \$39,190, \$33,787 and \$32,335 respectively.

The Chief of Police of the Town of Youngsville elected to participate in the Municipal Police Retirement System of Louisiana effective April 1, 1989. This system is a cost-sharing, multiple-employer defined benefit 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 15.25% 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's contribution to the System for the years ended June 30, 2004, 2003 and 2002 was \$7,018, \$4,061 and \$6,672, respectively, equal to the required contributions for each year.



TOWN OF YOUNGSVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

(13) 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, 2004, was as follows:

	<u>Water Department</u>	<u>Sewerage Department</u>	<u>Sanitation Department</u>	<u>Total Enterprise Fund</u>
Operating revenues	<u>\$548,824</u>	<u>\$327,123</u>	<u>\$ 225,583</u>	<u>\$1,101,530</u>
Operating expenses:				
Depreciation	109,820	91,550	-	201,370
Other	<u>423,618</u>	<u>187,605</u>	<u>215,648</u>	<u>826,871</u>
Total operating expenses	<u>533,438</u>	<u>279,155</u>	<u>215,648</u>	<u>1,028,241</u>
Operating income	<u>\$ 15,386</u>	<u>\$ 47,968</u>	<u>\$ 9,935</u>	<u>\$ 73,289</u>

(14) Compensation of Town Officials

A detail of compensation paid to the Mayor and Board of Aldermen for the year ended June 30, 2004 follows:

Wilson Viator, Mayor	\$20,359
Aldermen:	
Paul Huval	8,364
Jesse Vallot	8,364
A.J. Bernard	8,364
Huey Romero	8,364
Brenda Burley	<u>8,364</u>
	<u>\$62,179</u>

TOWN OF YOUNGSVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

(15) Pending Litigation

The Town is a defendant in a lawsuit filed by a vendor. Management is of the opinion that monetary damages would be minimal, in the event the Town is unsuccessful in its defense. No accrual was recorded at June 30, 2004.

(16) 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.

(17) Interfund Transactions

A. Receivables and Payables

Interfund receivables and payables consisted of the following at June 30, 2004:

Due to the General Fund from the Utility Fund representing short-term loans	\$ 300,029
Due to the 1968 Sales Tax Fund from the 1999 Sales Tax Fund representing short-term loans	59,076
Due to the 1981 Sales Tax Fund from the Utility Fund representing short-term loans	131,496
Due to the 1999 Sales Tax Fund from the Utility Fund representing short-term loans	41,763
Other balances	<u>19,000</u>
Total	<u>\$ 551,364</u>

Summary of balances due from other funds reported in fund financial statements:

Due from other funds, Balance Sheet - Governmental Funds	<u>\$ 551,364</u>
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TOWN OF YOUNGSVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

B. Transfers

Transfers consisted of the following at June 30, 2004:

	<u>Transfers In</u>	<u>Transfers Out</u>
Major governmental funds:		
General Fund	\$ 940,425	\$ 57,500
1968 Sales Tax Special Revenue Fund	-	426,000
1981 Sales Tax Special Revenue Fund	57,500	5,160
1999 Sales Tax Special Revenue Fund	101,000	2,043,656
Non-major governmental funds:		
Police Station Bonds Fund	151,293	-
Youngsville Parkway Construction Fund	2,426	-
Proprietary Fund:		
Enterprise Fund	<u>2,265,000</u>	<u>985,328</u>
 Total	 <u>\$ 3,517,644</u>	 <u>\$ 3,517,644</u>

Transfers are used to (a) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and to (b) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

**REQUIRED  
SUPPLEMENTARY INFORMATION**

TOWN OF YOUNGSVILLE, LOUISIANA  
General Fund

Budgetary Comparison Schedule  
For the Year Ended June 30, 2004  
With Comparative Actual Amounts for the Year Ended June 30, 2003

	2004			Variance with Final Budget Positive (Negative)	2003 Actual
	Budget		Actual		
	Original	Final			
<b>Revenues:</b>					
Taxes	\$ 135,000	\$ 154,925	\$ 150,789	\$ (4,136)	\$ 134,746
Licenses and permits	159,500	142,153	212,043	69,890	194,157
Intergovernmental	44,000	17,559	26,739	9,180	308,850
Fines and forfeits	120,000	144,514	173,107	28,593	133,770
Miscellaneous	12,000	6,529	4,744	(1,785)	13,247
Total revenues	<u>470,500</u>	<u>465,680</u>	<u>567,422</u>	<u>101,742</u>	<u>784,770</u>
<b>Expenditures:</b>					
Current -					
General government	377,471	455,548	457,469	(1,921)	387,453
Public safety:					
Fire	63,200	76,234	66,586	9,648	58,027
Streets	170,565	239,340	223,094	16,246	626,550
Capital outlay	370,000	513,788	502,819	10,969	311,083
Debt service	-	20,000	20,014	(14)	-
Total expenditures	<u>981,236</u>	<u>1,304,910</u>	<u>1,269,982</u>	<u>34,928</u>	<u>1,383,113</u>
Deficiency of revenues over expenditures	<u>(510,736)</u>	<u>(839,230)</u>	<u>(702,560)</u>	<u>136,670</u>	<u>(598,343)</u>
<b>Other financing sources (uses):</b>					
Proceeds from capital lease	-	24,559	24,559	-	66,084
Transfers from Utility Fund	530,000	940,425	940,425	-	517,250
Transfers to 1981 Sales Tax Fund	(27,000)	(57,500)	(57,500)	-	-
Total other financing sources (uses)	<u>503,000</u>	<u>907,484</u>	<u>907,484</u>	<u>-</u>	<u>583,334</u>
Net change in fund balance	(7,736)	68,254	204,924	136,670	(15,009)
Fund balance, beginning	<u>186,726</u>	<u>186,726</u>	<u>186,726</u>	<u>-</u>	<u>201,735</u>
Fund balance, ending	<u>\$ 178,990</u>	<u>\$ 254,980</u>	<u>\$ 391,650</u>	<u>\$ 136,670</u>	<u>\$ 186,726</u>

TOWN OF YOUNGSVILLE, LOUISIANA  
1968 Sales Tax Special Revenue Fund

Budgetary Comparison Schedule  
For the Year Ended June 30, 2004  
With Comparative Actual Amounts for the Year Ended June 30, 2003

	2004			Variance with Final Budget Positive (Negative)	2003
	Budget		Actual		
	Original	Final			
<b>Revenues:</b>					
Taxes	\$ 445,000	\$ 444,555	\$ 445,837	\$ 1,282	\$ 450,111
Miscellaneous - interest	-	291	553	262	669
<b>Total revenues</b>	<u>445,000</u>	<u>444,846</u>	<u>446,390</u>	<u>1,544</u>	<u>450,780</u>
<b>Expenditures:</b>					
<b>Current -</b>					
<b>General government:</b>					
Sales tax collection fees	2,700	1,832	1,866	(34)	1,834
Professional fees	<u>6,000</u>	<u>5,030</u>	<u>3,912</u>	<u>1,118</u>	<u>7,175</u>
<b>Total expenditures</b>	<u>8,700</u>	<u>6,862</u>	<u>5,778</u>	<u>1,084</u>	<u>9,009</u>
<b>Excess of revenues     over expenditures</b>	<u>436,300</u>	<u>437,984</u>	<u>440,612</u>	<u>2,628</u>	<u>441,771</u>
<b>Other financing uses:</b>					
Transfers to 1999 Sales Tax Fund	-	(101,000)	(101,000)	-	-
Transfers to Utility Fund	<u>(430,000)</u>	<u>(325,000)</u>	<u>(325,000)</u>	<u>-</u>	<u>(517,250)</u>
<b>Total other financing uses</b>	<u>(430,000)</u>	<u>(426,000)</u>	<u>(426,000)</u>	<u>-</u>	<u>(517,250)</u>
<b>Net change in fund balance</b>	6,300	11,984	14,612	2,628	(75,479)
Fund balance, beginning	<u>238,857</u>	<u>238,857</u>	<u>238,857</u>	<u>-</u>	<u>314,336</u>
Fund balance, ending	<u>\$ 245,157</u>	<u>\$ 250,841</u>	<u>\$ 253,469</u>	<u>\$ 2,628</u>	<u>\$ 238,857</u>

TOWN OF YOUNGSVILLE, LOUISIANA  
1981 Sales Tax Special Revenue Fund

Budgetary Comparison Schedule  
For the Year Ended June 30, 2004  
With Comparative Actual Amounts for the Year Ended June 30, 2003

	2004			Variance with Final Budget Positive (Negative)	2003 Actual
	Budget		Actual		
	Original	Final			
<b>Revenues:</b>					
Taxes	\$ 445,000	\$ 444,555	\$ 445,837	\$ 1,282	\$ 449,709
Intergovernmental	-	9,321	9,498	177	29,369
Miscellaneous	600	4,732	5,573	841	-
Total revenues	<u>445,600</u>	<u>458,608</u>	<u>460,908</u>	<u>2,300</u>	<u>479,078</u>
<b>Expenditures:</b>					
General government	2,800	5,140	5,161	(21)	2,159
Police	447,800	445,863	461,393	(15,530)	390,476
Capital outlay	35,000	50,600	53,970	(3,370)	59,647
Total expenditures	<u>485,600</u>	<u>501,603</u>	<u>520,524</u>	<u>(18,921)</u>	<u>452,282</u>
Excess (deficiency) of revenues over expenditures	<u>(40,000)</u>	<u>(42,995)</u>	<u>(59,616)</u>	<u>(16,621)</u>	<u>26,796</u>
<b>Other financing sources (uses):</b>					
Transfer from General Fund	-	57,500	57,500	-	-
Transfer to Debt Service Fund	-	(5,100)	(5,160)	(60)	-
Total other financing sources (uses)	<u>-</u>	<u>52,400</u>	<u>52,340</u>	<u>(60)</u>	<u>-</u>
Net change in fund balance	(40,000)	9,405	(7,276)	(16,741)	26,796
Fund balance, beginning	<u>343,807</u>	<u>343,807</u>	<u>343,807</u>	<u>-</u>	<u>317,011</u>
Fund balance, ending	<u>\$ 303,807</u>	<u>\$ 353,212</u>	<u>\$ 336,531</u>	<u>\$ (16,741)</u>	<u>\$ 343,807</u>

TOWN OF YOUNGSVILLE, LOUISIANA  
1999 Sales Tax Special Revenue Fund

Budgetary Comparison Schedule  
For the Year Ended June 30, 2004  
With Comparative Actual Amounts for the Year Ended June 30, 2003

	2004			Variance with Final Budget Positive (Negative)	2003
	Budget		Actual		
	Original	Final			
<b>Revenues:</b>					
Taxes	\$ 217,985	\$ 222,278	\$ 222,919	\$ 641	\$ 224,854
Miscellaneous - interest	180	-	128	128	140
Total revenues	<u>218,165</u>	<u>222,278</u>	<u>223,047</u>	<u>769</u>	<u>224,994</u>
<b>Expenditures:</b>					
Current -					
General government:					
Sales tax collection fees	1,340	941	933	8	917
Office expenses	-	153	329	(176)	-
Professional fees	5,425	3,670	2,195	1,475	5,235
Total general government	6,765	4,764	3,457	1,307	6,152
Debt service -					
Bond issuance costs	-	30,169	30,924	(755)	-
Total expenditures	<u>6,765</u>	<u>34,933</u>	<u>34,381</u>	<u>552</u>	<u>6,152</u>
Excess of revenues over expenditures	<u>211,400</u>	<u>187,345</u>	<u>188,666</u>	<u>1,321</u>	<u>218,842</u>
<b>Other financing sources (uses):</b>					
Proceeds from issuance of debt	-	1,800,000	1,800,000	-	-
Transfers from 1968 Sales Tax Fund	-	101,000	101,000	-	-
Transfers to Debt Service Fund	-	(101,000)	(103,656)	(2,656)	-
Transfers to Utility Fund	(211,100)	(1,940,000)	(1,940,000)	-	(300,000)
Total other financing sources (uses)	<u>(211,100)</u>	<u>(140,000)</u>	<u>(142,656)</u>	<u>(2,656)</u>	<u>(300,000)</u>
Net change in fund balance	(210,800)	47,345	46,010	(1,335)	(81,158)
Fund balance, beginning	<u>215,326</u>	<u>215,326</u>	<u>215,326</u>	-	<u>296,484</u>
Fund balance, ending	<u>\$ 4,526</u>	<u>\$ 262,671</u>	<u>\$ 261,336</u>	<u>\$ (1,335)</u>	<u>\$ 215,326</u>



**OTHER SUPPLEMENTARY INFORMATION**

**OTHER FINANCIAL INFORMATION**

TOWN OF YOUNGSVILLE, LOUISIANA  
General Fund

Budgetary Comparison Schedule - Revenues  
For the Year Ended June 30, 2004  
With Comparative Actual Amounts for the Year Ended June 30, 2003

	2004		Actual	Variance with Final Budget Positive (Negative)	2003 Actual
	Budget				
	Original	Final			
<b>Taxes:</b>					
Franchise - electric	108,000	129,244	125,108	(4,136)	108,028
Franchise - gas	17,000	14,605	14,605	-	16,653
Franchise - cable tv	10,000	11,076	11,076	-	10,065
	<u>135,000</u>	<u>154,925</u>	<u>150,789</u>	<u>(4,136)</u>	<u>134,746</u>
<b>Licenses and permits:</b>					
Occupational licenses	7,500	8,570	9,549	979	6,650
Insurance occupational licenses	75,000	68,021	116,195	48,174	108,739
Codes and permits	77,000	65,562	86,299	20,737	78,768
	<u>159,500</u>	<u>142,153</u>	<u>212,043</u>	<u>69,890</u>	<u>194,157</u>
<b>Intergovernmental:</b>					
<b>Federal grant -</b>					
Community Development Block Grant	15,000	-	-	-	-
Federal grant - FEMA	-	-	-	-	236,787
<b>State of Louisiana -</b>					
Beer taxes	4,000	4,809	5,240	431	4,191
Hurricane relief-state grant	-	-	-	-	67,872
Proceeds from state grants	25,000	12,750	21,499	8,749	-
	<u>44,000</u>	<u>17,559</u>	<u>26,739</u>	<u>9,180</u>	<u>308,850</u>
<b>Fines and forfeits:</b>					
Fines and court costs	120,000	144,514	173,107	28,593	133,770
<b>Miscellaneous:</b>					
Interest on interest-bearing accounts	2,000	402	168	(234)	3,042
Other sources	10,000	6,127	4,576	(1,551)	10,205
	<u>12,000</u>	<u>6,529</u>	<u>4,744</u>	<u>(1,785)</u>	<u>13,247</u>
<b>Total revenues</b>	<u>\$ 470,500</u>	<u>\$ 465,680</u>	<u>\$ 567,422</u>	<u>\$ 101,742</u>	<u>\$ 784,770</u>

TOWN OF YOUNGSVILLE, LOUISIANA  
General Fund

Budgetary Comparison Schedule - Expenditures  
For the Year Ended June 30, 2004  
With Comparative Actual Amounts for the Year Ended June 30, 2003

	2004			Variance with Final Budget Positive (Negative)	2003 Actual
	Budget		Actual		
	Original	Final			
General government:					
Administrative -					
Compensation - mayor and council	\$ 59,721	\$ 62,400	\$ 62,179	\$ 221	\$ 56,860
Other salaries	102,900	123,204	122,750	454	108,236
Payroll taxes and retirement	29,500	18,713	18,574	139	19,602
Group insurance	32,000	47,758	47,709	49	34,593
Utilities and telephone	13,000	8,193	8,821	(628)	12,285
Mayor's expense	3,000	1,335	1,276	59	2,173
Advertising	8,500	12,779	13,018	(239)	9,100
Repairs and maintenance	300	4,311	4,645	(334)	1,739
Inspection fees	25,000	36,442	37,031	(589)	23,338
Dues and publications	1,200	1,308	1,308	-	1,005
Professional fees	15,000	28,254	28,250	4	22,629
General insurance	38,000	37,906	37,670	236	30,407
Office supplies	16,500	23,771	23,742	29	23,021
Janitorial expense	4,500	4,507	4,364	143	4,350
Uniform expense	1,500	710	1,679	(969)	1,230
Community relations	-	-	295	(295)	-
Annexation	5,000	-	-	-	8,992
Engineering	2,000	13,052	12,810	242	3,147
Donation to library	900	-	-	-	900
Radio Rent	1,200	1,284	2,037	(753)	1,292
Beepers	1,200	1,395	1,583	(188)	1,144
Consultant	-	12,830	12,695	135	-
Miscellaneous	4,800	8,324	8,319	5	10,220
Total administrative	<u>365,721</u>	<u>448,476</u>	<u>450,755</u>	<u>(2,279)</u>	<u>376,263</u>
Magistrate court -					
Salaries	6,000	3,358	3,269	89	4,948
Legal fees	5,000	3,000	2,850	150	5,163
Court supplies	750	714	595	119	1,079
Total magistrate court	<u>11,750</u>	<u>7,072</u>	<u>6,714</u>	<u>358</u>	<u>11,190</u>
Total general government	<u>377,471</u>	<u>455,548</u>	<u>457,469</u>	<u>(1,921)</u>	<u>387,453</u>

(continued)

TOWN OF YOUNGSVILLE, LOUISIANA  
General Fund

Budgetary Comparison Schedule - Expenditures (Continued)  
For the Year Ended June 30, 2004  
With Comparative Actual Amounts for the Year Ended June 30, 2003

	2004		Actual	Variance with Final Budget Positive (Negative)	2003 Actual
	Budget				
	Original	Final			
Public safety:					
Fire -					
Donation to volunteer fire department	10,000	10,595	10,675	(80)	9,485
Fire truck annual payment	20,000	20,000	20,000	-	20,000
Professional fees	5,000	5,800	6,110	(310)	5,280
Contract services/labor	26,200	38,858	28,984	9,874	23,262
Miscellaneous	2,000	981	817	164	-
Total fire	<u>63,200</u>	<u>76,234</u>	<u>66,586</u>	<u>9,648</u>	<u>58,027</u>
Highways and streets:					
Salaries	29,715	29,669	28,024	1,645	27,253
Payroll taxes	2,450	2,922	2,259	663	2,061
Supplies, materials and repairs	50,000	89,078	90,570	(1,492)	72,327
Auto and truck expense	17,500	17,529	13,742	3,787	25,871
Equipment rental	-	2,403	2,745	(342)	4,281
Street lighting	28,000	27,780	28,369	(589)	25,718
Park expense	500	-	-	-	802
Engineering fees	40,000	44,890	43,981	909	51,828
Drainage contract expense	-	-	-	-	44,701
Hurricane expense	2,400	-	-	-	356,736
Contract labor	-	21,350	10,084	11,266	11,959
Miscellaneous	-	3,719	3,320	399	3,013
Total streets and drainage	<u>170,565</u>	<u>239,340</u>	<u>223,094</u>	<u>16,246</u>	<u>626,550</u>
Capital outlay:					
General government -					
Office renovations and equipment	-	-	-	-	10,585
Public safety -					
Fire - equipment	40,000	15,300	12,750	2,550	36,702
Highways and streets -					
Equipment	30,000	31,869	24,436	7,433	118,180
Street and drainage projects	300,000	466,619	465,633	986	145,616
Total capital outlay	<u>370,000</u>	<u>513,788</u>	<u>502,819</u>	<u>10,969</u>	<u>311,083</u>
Debt service:					
Retirement of principal	-	17,800	17,786	14	-
Interest and fiscal charges	-	2,200	2,228	(28)	-
Total debt service	<u>-</u>	<u>20,000</u>	<u>20,014</u>	<u>(14)</u>	<u>-</u>
Total expenditures	<u>\$ 981,236</u>	<u>\$ 1,304,910</u>	<u>\$ 1,269,982</u>	<u>\$ 34,928</u>	<u>\$ 1,383,113</u>

TOWN OF YOUNGSVILLE, LOUISIANA  
1981 Sales Tax Special Revenue Fund

Budgetary Comparison Schedule - Expenditures  
For the Year Ended June 30, 2004  
With Comparative Actual Amounts for the Year Ended June 30, 2003

	2004			Variance with Final Budget Positive (Negative)	2003 Actual
	Budget		Actual		
	Original	Final			
General government-					
Sales tax collection fees	\$ 2,800	\$ 1,832	\$ 1,866	\$ (34)	\$ 1,834
Professional fees	-	3,308	3,295	13	325
Total general government	<u>2,800</u>	<u>5,140</u>	<u>5,161</u>	<u>(21)</u>	<u>2,159</u>
Police -					
Salaries	236,250	241,806	240,488	1,318	215,407
Payroll taxes and retirement	31,000	31,870	30,464	1,406	20,350
Group insurance	41,000	41,651	40,827	824	37,173
Repairs and maintenance	18,000	8,930	12,090	(3,160)	15,296
Office supplies and expense	8,000	7,652	10,028	(2,376)	4,729
Dues and subscriptions	1,200	805	805	-	1,015
Telephone and utilities	6,500	5,315	5,900	(585)	6,142
Insurance	25,000	20,769	25,113	(4,344)	20,271
Auto expense	16,000	31,054	35,528	(4,474)	16,777
Uniforms and supplies	10,000	1,081	5,164	(4,083)	8,108
Marshall's expense	300	1,278	140	1,138	498
Janitorial expense	300	-	-	-	290
Act 474, 152, 562 and 977 expense	23,000	17,764	17,181	583	18,017
Training	3,500	1,878	1,845	33	-
Conference fees	1,000	-	1,621	(1,621)	272
Community relations	1,000	-	-	-	400
Rent	17,500	21,000	21,750	(750)	17,750
Professional fees	2,000	6,220	6,111	109	-
Beepers	850	934	849	85	830
Radio Rent	2,400	4,058	3,600	458	2,128
Miscellaneous	3,000	1,798	1,889	(91)	5,023
Total police	<u>447,800</u>	<u>445,863</u>	<u>461,393</u>	<u>(15,530)</u>	<u>390,476</u>
Capital outlay-					
Police auto	25,000	34,000	33,363	637	28,200
Police equipment	10,000	16,600	20,607	(4,007)	31,447
Total capital outlay	<u>35,000</u>	<u>50,600</u>	<u>53,970</u>	<u>(3,370)</u>	<u>59,647</u>
Total expenditures	<u>\$ 485,600</u>	<u>\$ 501,603</u>	<u>\$ 520,524</u>	<u>\$ (18,921)</u>	<u>\$ 452,282</u>

TOWN OF YOUNGSVILLE, LOUISIANA  
 Capital Projects Fund  
 Police Station Construction

Budgetary Comparison Schedule  
 For the Year Ended June 30, 2004

	Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Interest Income	\$ -	\$ 113	\$ 113
Expenditures:			
Capital outlay	<u>299,559</u>	<u>299,564</u>	<u>(5)</u>
Deficiency of revenues over expenditures	(299,559)	(299,451)	118
Other financing sources:			
Proceeds from issuance of debt	<u>300,000</u>	<u>300,000</u>	<u>-</u>
Net change in fund balance	441	549	118
Fund balance, beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, ending	<u>\$ 441</u>	<u>\$ 549</u>	<u>\$ 118</u>

TOWN OF YOUNGSVILLE, LOUISIANA  
Nonmajor Governmental Funds

Combining Balance Sheet  
June 30, 2004

	<u>General Obligation Bonds Fund</u>	<u>Youngsville Parkway Construction Fund</u>	<u>Totals</u>
<b>ASSETS</b>			
Cash	\$ 42,417	\$ 1	\$42,418
Due from other governmental agencies	-	34,571	34,571
Due from other funds	<u>60</u>	<u>2,426</u>	<u>2,486</u>
Total assets	<u>\$ 42,477</u>	<u>\$36,998</u>	<u>\$79,475</u>
<b>LIABILITIES AND FUND BALANCES</b>			
<i>Liabilities:</i>			
Contracts payable	\$ -	\$35,789	\$35,789
Due to other funds	<u>-</u>	<u>1,209</u>	<u>1,209</u>
Total liabilities	<u>-</u>	<u>36,998</u>	<u>36,998</u>
Fund balances -			
Unreserved	<u>42,477</u>	<u>-</u>	<u>42,477</u>
Total liabilities and fund balances	<u>\$ 42,477</u>	<u>\$36,998</u>	<u>\$79,475</u>



TOWN OF YOUNGSVILLE, LOUISIANA  
Nonmajor Governmental Funds

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
Year Ended June 30, 2004

	General Obligation Bonds Fund	Youngsville Parkway Construction Fund	Totals
Revenues:			
Intergovernmental	\$ -	\$ 67,490	\$ 67,490
Expenditures:			
General government	60	-	60
Debt service -			
Retirement of principal	60,000	-	60,000
Interest and fiscal charges	48,756	-	48,756
Street construction -			
Capital outlay	-	69,916	69,916
Total expenditures	108,816	69,916	178,732
Deficiency of revenues over expenditures	(108,816)	(2,426)	(111,242)
Other financing sources:			
Transfers in	151,293	2,426	153,719
Net change in fund balances	42,477	-	42,477
Fund balances, beginning	-	-	-
Fund balances, ending	42,477	-	42,477

## NONMAJOR DEBT SERVICE FUND

### General Obligation Bonds Fund -

To accumulate monies for payment of \$225,000 of police station bonds, Series 2003, which are due in annual installments, plus interest, through maturity in 2018 and \$45,000 of police station bonds, Series 2003, which are due in annual installments through maturity in 2008. Debt service is financed from the collection of the Town's 1981 1% sales tax.

To accumulate monies for payment of \$1,800,000 of sales tax bonds, Series 2003, which are due in annual installments, plus interest, through maturity in 2023. Debt service is financed from the collection of the Town's 1999 1/2% sales tax.

TOWN OF YOUNGSVILLE, LOUISIANA  
 Nonmajor Debt Service Fund  
 General Obligation Bonds

Schedule of Revenues, Expenditures, and Changes in Fund Balance -  
 Budget (GAAP Basis) and Actual  
 For the Year Ended June 30, 2004

	Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:	\$ -	\$ -	\$ -
Expenditures:			
General government	-	60	(60)
Debt service -			
Retirement of principal	60,000	60,000	-
Interest and fiscal charges	50,920	48,756	2,164
Total expenditures	110,920	108,816	2,104
Deficiency of revenues over expenditures	(110,920)	(108,816)	2,104
Other financing sources:			
Transfers from Utility Fund	42,500	42,477	23
Transfers from 1999 Sales Tax Fund	101,000	103,656	(2,656)
Transfers from 1981 Sales Tax Fund	5,100	5,160	(60)
Total other financing sources	148,600	151,293	(2,693)
Net change in fund balance	37,680	42,477	(589)
Fund balance, beginning	-	-	-
Fund balance, ending	\$ 37,680	\$ 42,477	\$ (589)

**NONMAJOR CAPITAL PROJECTS FUND**

**Youngsville Parkway Construction Fund -**

To account for the construction of the Youngsville Parkway using proceeds from grant revenue.

TOWN OF YOUNGSVILLE, LOUISIANA  
 Nonmajor Capital Projects Fund  
 Youngsville Parkway Construction Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance -  
 Budget (GAAP Basis) and Actual  
 For the Year Ended June 30, 2004

	Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$ 67,490	\$ 67,490	\$ -
Expenditures:			
Street construction - Capital outlay	69,573	69,916	(343)
Deficiency of revenues over expenditures	(2,083)	(2,426)	(343)
Other financing source:			
Transfer from Utility Fund	2,426	2,426	-
Net change in fund balance	343	-	(343)
Fund balance, beginning	-	-	-
Fund balance, ending	\$ 343	\$ -	\$ (343)

TOWN OF YOUNGSVILLE, LOUISIANA  
Enterprise Fund  
Utility Fund

Schedule of Number of Utility Customers  
(Unaudited)  
June 30, 2004 and 2003

Records maintained by the Town indicated the following number of customers were being served during the months of June 30, 2004 and 2003:

<u>Department</u>	<u>2004</u>	<u>2003</u>
Water (metered)	1,658	1,609
Sewerage	1,384	1,297
Garbage	1,830	1,687

TOWN OF YOUNGSVILLE

Schedule of Insurance in Force  
(Unaudited)  
June 30, 2004

Description of Coverage	Policy Expiration Date	Coverage Amounts
Workmen's compensation: Employer's liability	01/01/05	\$ 100,000
Surety bonds:		
Cindy Broussard, Secretary	08/16/04	15,000
Dianne McClelland, Secretary	08/25/04	15,000
Barbara Jackson, Secretary	09/24/04	15,000
Position Bond	06/27/05	442,662
Automobile liability	05/01/05	500,000
Automobile comprehensive and collision coverage	03/18/05	151,158
Blanket coverage on buildings, contents and machinery	08/21/04	1,356,575
Law enforcement officer's liability	05/01/05	500,000
Public official's errors and omissions	05/01/05	500,000
General liability	05/01/05	1,000,000
Equipment	05/01/05	175,163

TOWN OF YOUNGSVILLE, LOUISIANA

Combined Schedule of Interest-Bearing Deposits  
June 30, 2004

	<u>Term</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Amount</u>
<u>General Fund</u>				
Whitney Bank -				
Fire Department:				
Certificate of deposit	180 days	10/07/04	0.85%	6,549
Certificate of deposit	90 days	08/07/04	0.75%	6,206
Street Department:				
Certificate of deposit	60 days	08/04/04	0.50%	7,160
Certificate of deposit	60 days	08/15/04	0.50%	6,763
Total General Fund				<u>26,678</u>
<u>Sales Tax Funds</u>				
Whitney Bank-				
Certificate of deposit	90 days	07/24/04	0.75%	\$ 13,380
Certificate of deposit	90 days	07/25/04	0.75%	13,380
Certificate of deposit	90 days	07/25/04	0.70%	13,026
Certificate of deposit	90 days	08/03/04	0.75%	13,175
Certificate of deposit	90 days	08/04/04	0.75%	7,679
Certificate of deposit	180 days	7/1/2004	0.75%	26,192
Certificate of deposit	180 days	10/07/04	0.85%	19,647
Certificate of deposit	180 days	10/23/04	0.70%	52,926
Total Sales Tax Funds				<u>159,405</u>
<u>Utility Fund</u>				
Whitney Bank-				
Interest-bearing deposits	N/A	N/A	various	\$ 135,293
Certificate of deposit	60 days	08/20/04	0.50%	6,699
Certificate of deposit	90 days	08/15/04	0.75%	29,246
Certificate of deposit	90 days	08/30/04	0.75%	8,048
Certificate of deposit	180 days	07/27/04	0.75%	17,678
Certificate of deposit	360 days	08/20/04	0.85%	23,000
Certificate of deposit	360 days	02/05/05	2.25%	99,242
Certificate of deposit	360 days	02/10/05	2.25%	7,363
Certificate of deposit	360 days	02/10/05	2.25%	98,933
Certificate of deposit	360 days	02/10/05	2.25%	99,242
Certificate of deposit	360 days	02/10/05	2.25%	50,634
Total Utility Fund				<u>575,378</u>
Total all funds				<u>\$ 761,461</u>



TOWN OF YOUNGSVILLE, LOUISIANA  
Enterprise Fund  
Utility Fund

Comparative Departmental Analysis of Revenues and Expenses  
For the Years Ended June 30, 2004 and 2003

	<u>Totals</u>	
	<u>2004</u>	<u>2003</u>
Operating revenues:		
Customer service charges	\$1,035,446	\$ 894,960
Miscellaneous	<u>66,084</u>	<u>69,485</u>
Total operating revenues	<u>1,101,530</u>	<u>964,445</u>
Operating expenses:		
Salaries	157,056	126,381
Payroll taxes	15,756	9,557
Sewer tests	1,885	3,312
Water purchases	82,041	65,814
Maintenance and repairs	96,823	90,965
Contract maintenance fees	36,480	36,480
Utilities	47,077	43,499
Professional fees	18,024	23,761
Engineer fees	13,757	1,670
Insurance	62,783	50,678
Office expense	6,547	6,760
Supplies and parts	58,015	51,488
Garbage collection fees	215,648	191,191
Depreciation	201,370	163,199
Miscellaneous	<u>14,979</u>	<u>15,615</u>
Total operating expenses	<u>1,028,241</u>	<u>880,370</u>
Operating income	<u>73,289</u>	<u>84,075</u>
Nonoperating revenues (expenses):		
Interest income	6,564	4,632
Interest expense	(53,236)	(77,320)
Paying agent fees	(1,996)	(975)
Amortization - bond issue cost	<u>(1,337)</u>	<u>(1,337)</u>
Total nonoperating revenues (expenses)	<u>(50,005)</u>	<u>(75,000)</u>
Income before contributions and operating transfers	<u>23,284</u>	<u>9,075</u>
Capital contributions	<u>281,906</u>	<u>434,529</u>
Transfers in (out):		
Transfers in	2,265,000	817,250
Transfers out	<u>(985,328)</u>	<u>(517,250)</u>
Total transfers in (out)	<u>1,279,672</u>	<u>300,000</u>
Change in net assets	1,584,862	743,604
Net assets, beginning	<u>3,958,757</u>	<u>3,215,153</u>
Net assets, ending	<u>\$5,543,619</u>	<u>\$3,958,757</u>

Water		Sewerage		Sanitation	
2004	2003	2004	2003	2004	2003
\$492,653	\$434,815	\$321,175	\$260,052	\$221,618	\$200,093
56,171	59,062	5,948	6,254	3,965	4,169
<u>548,824</u>	<u>493,877</u>	<u>327,123</u>	<u>266,306</u>	<u>225,583</u>	<u>204,262</u>
125,559	100,797	31,497	25,584	-	-
11,978	7,622	3,778	1,935	-	-
-	-	1,885	3,312	-	-
82,041	65,814	-	-	-	-
57,865	52,752	38,958	38,213	-	-
-	-	36,480	36,480	-	-
20,794	21,401	26,283	22,098	-	-
10,995	16,445	7,029	7,316	-	-
10,108	930	3,649	740	-	-
37,670	30,407	25,113	20,271	-	-
3,927	4,000	2,620	2,760	-	-
49,053	44,852	8,962	6,636	-	-
-	-	-	-	215,648	191,191
109,820	93,486	91,550	69,713	-	-
13,628	13,600	1,351	2,015	-	-
<u>533,438</u>	<u>452,106</u>	<u>279,155</u>	<u>237,073</u>	<u>215,648</u>	<u>191,191</u>
<u>\$ 15,386</u>	<u>\$ 41,771</u>	<u>\$ 47,968</u>	<u>\$ 29,233</u>	<u>\$ 9,935</u>	<u>\$ 13,071</u>

**COMPLIANCE  
AND  
INTERNAL CONTROL**

# KOLDER, CHAMPAGNE, SLAVEN & COMPANY, LLC

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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 Wilson Viator, Mayor  
and Members of the Board of Aldermen  
Town of Youngsville, Louisiana

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Youngsville, Louisiana (the Town) as of and for the year ended June 30, 2004, which collectively comprise the Town's basic financial statements and have issued our report thereon dated September 21, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States.

### Compliance

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

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Town's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the basic 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's ability to record, process, summarize and report financial data consistent with the assertions of management in the 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 04-1(IC).

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A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. 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.

We also noted another matter concerning financial operations that we have reported to the management of the Town in a separate letter dated September 21, 2004

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 & Company, LLC***  
Certified Public Accountants

Lafayette, Louisiana  
September 21, 2004

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**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE  
TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER  
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

\* A Professional Accounting Corporation

The Honorable Wilson Viator, Mayor  
And Members of the Board of Aldermen  
Youngsville, Louisiana

Compliance

We have audited the compliance of the Town of Youngsville, Louisiana (the Town) with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to its major federal program for the year ended June 30, 2004. The Town's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of the Town's management. Our responsibility is to express an opinion on the Town's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Town's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Town's compliance with those requirements.

In our opinion, the Town complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended June 30, 2004.

Internal Control Over Compliance

The management of the Town is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Town's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

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Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended for the information of management, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than the specified parties. However, this report is a matter of public record and its distribution is not limited.

***Kolder, Champagne, Slaven & Company, LLC***  
Certified Public Accountants

Lafayette, Louisiana  
September 21, 2004

TOWN OF YOUNGSVILLE, LOUISIANA  
 Schedule of Expenditures of Federal Awards  
 For the Year Ended June 30, 2004

Federal Grantor/Pass-Through Grantor/Program Name	CFDA Number	Revenue Recognized	Expenditures
Department of Environmental Quality- Drinking Water State Revolving Fund Program	66.468	\$1,800,000	\$1,800,000
Department of Housing and Urban Development- Community Planning and Development: Community Development Block Grants/ State's Program	14.228	<u>221,592</u>	<u>221,592</u>
Total		<u>\$2,021,592</u>	<u>\$2,021,592</u>



TOWN OF YOUNGSVILLE, LOUISIANA

Notes to Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2004

(1) General

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal financial assistance programs of the Town of Youngsville (the Town). The Town's reporting entity is defined in Note 1 to the basic financial statements for the fiscal year ended June 30, 2004. All federal financial assistance received directly from federal agencies is included on the schedule as well as federal financial assistance passed through other government agencies. The Department of Environmental Quality – Drinking Water State Revolving Funds Program was considered a major federal program of the Town for the fiscal year ended June 30, 2004.

(2) Basis of Accounting

The accompanying Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting, which is described in Note 1 to the Town's financial statements for the year ended June 30, 2004.

TOWN OF YOUNGSVILLE, LOUISIANA

Schedule of Findings and Questioned Costs  
Year Ended June 30, 2004

Part I. Summary of Auditors' Results:

1. An unqualified opinion was issued on the financial statements.
2. One reportable condition in internal control was disclosed by the audit of the financial statements. This reportable condition was considered to be a material weakness.
3. No reportable conditions in internal control over the major program were disclosed by the audit of the financial statements.
4. An unqualified opinion was issued on compliance for the major program.
5. The audit disclosed no audit findings required to be reported under Section 510(a) of Circular A-133.
6. The major program was the Drinking Water State Revolving Funds Program.
7. The dollar threshold used to distinguish between Type A and Type B programs, as described in Section 520(b) of Circular A-133 was \$300,000.
8. The auditee did not qualify as a low-risk auditee under Section 530 of Circular A-133.

Part II. Findings which are required to be reported in accordance with generally accepted Governmental Auditing Standards:

Internal Control Findings –

See internal control finding 04-1(IC) on Summary Schedule of Current and Prior Year Audit Findings and Corrective Action Plan.

Part III. Findings and questioned costs for Federal awards which include audit findings as defined in Section 510(a) of Circular A-133:

There are no findings required to be reported under the above guidance.

TOWN OF YOUNGSVILLE, LOUISIANA

Summary Schedule of Current and Prior Year Audit Findings  
and Corrective Action Plan  
Year Ended June 30, 2004

Fiscal Year Finding Initially Occurred	Description of finding	Corrective Action Taken	Corrective Action Planned	Name of Contact Person	Anticipated Completion Date
<u>CURRENT YEAR (6/30/04) --</u>					
<u>Internal Control:</u>					
04-1(IC)	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
<u>Management Letter:</u>					
04-1(ML) 06/30/04	The Town did not maintain a balance sheet and statement of revenues, expenditures, and changes in fund balance for each fund.	N/A	In the future, Town officials will develop an accounting system that is able to separately maintain each fund.	Becky Langlinais, Town Clerk	6/30/2005
<u>PRIOR YEAR (6/30/03) --</u>					
<u>Compliance:</u>					
03-1(C) 6/30/03	The local depositing institution did not have adequate securities pledged at June 30, 2003 to cover the portion of the Town's bank balances not insured by FDIC.	Yes	Subsequent to June 30, 2003, additional securities were pledged to secure the Town's deposits. The Town intends to monitor the amount of securities pledged on a monthly basis to insure that it remains adequate.	Becky Langlinais, Town Clerk	6/30/2004
<u>Internal Control:</u>					
03-1(IC)	Same as 04-1(IC) above.	N/A	No response is considered necessary.	Becky Langlinais,	N/A
<u>Management Letter:</u>					
03-1(ML) 6/30/03	The emergency actions taken by the mayor to restore normalcy to the community were never ratified by the council. A special meeting should be held shortly after emergency action so that the council may ratify the mayor's actions.	N/A	No response is considered necessary.	Becky Langlinais, Town Clerk	N/A

TOWN OF YOUNGSVILLE, LOUISIANA

Summary Schedule of Current and Prior Year Audit Findings  
and Corrective Action Plan  
Year Ended June 30, 2004

Ref. No.	Fiscal Year Finding Initially Occurred	Description of finding	Corrective Action Taken	Corrective Action Planned	Name of Contact Person	Anticipated Completion Date
03-2(ML)	6/30/03	The Police Department did not adequately conduct and properly account for fundraising activities. All agreements made with third parties should be written	N/A	In the future, Town officials will ascertain that fundraising activities will be established and accounted for in accordance with recommended	Earl Menard, Chief of Police	N/A

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## MANAGEMENT LETTER

The Honorable Wilson Viator, Mayor  
and Members of the Board of Aldermen  
Town of Youngsville, Louisiana

During our audit of the basic financial statements of the Town of Youngsville for the year ended June 30, 2004, we noted an area in which improvements in the financial practices of the Town may be desirable.

Management should develop an accounting system that is able to produce a balance sheet and statement of revenues, expenditures, and changes in fund balance for each fund on a monthly basis. It is important that the Town maintain each fund separately and reconcile all balance sheet accounts on a monthly basis.

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 & Company, LLC*  
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Lafayette, Louisiana  
September 21, 2004

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