

CITY OF YOUNGSVILLE, LOUISIANA

Financial Report

Year Ended June 30, 2017

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INDEPENDENT AUDITOR'S REPORT

* A Professional Accounting Corporation

The Honorable Ken Ritter, Mayor,
and Members of the City Council
City of Youngsville, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the City of Youngsville, Louisiana, (the City) as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting principles used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the business-type activities, and each major fund of the City of Youngsville, Louisiana, as of June 30, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information and the schedules of employer's share of net pension liability and employer contributions on pages 48 through 54 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The City of Youngsville has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of, the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Youngsville, Louisiana's basic financial statements. The other supplementary information on pages 58 through 75 is presented for purposes of additional analysis and is not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for the purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The comparative statements and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, this other supplementary information is fairly stated in all material respects in relation to the basic financial statements as a whole.

The prior year comparative information on the comparative statements has been derived from the City of Youngsville's 2016 financial statements, which was subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America and, in our opinion, was fairly presented in all material respects in relation to the basic financial statements from which they have been derived.

The various schedules have not been subjected to the auditing procedures applied in the audit of the basic financial statements and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 29, 2017, on our consideration of the City of Youngsville, Louisiana's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

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

Lafayette, Louisiana
December 29, 2017

BASIC FINANCIAL STATEMENTS

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

CITY OF YOUNGSVILLE, LOUISIANA

Statement of Net Position
June 30, 2017

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current assets:			
Cash and interest-bearing deposits	\$ 4,045,873	\$ 394,217	\$ 4,440,090
Receivables, net	725,758	696,558	1,422,316
Internal balances	908,258	(908,258)	-
Due from other governmental units	399,163	92,013	491,176
Inventory	-	5,790	5,790
Prepaid items	117,596	136,661	254,257
Total current assets	<u>6,196,648</u>	<u>416,981</u>	<u>6,613,629</u>
Noncurrent assets:			
Restricted assets:			
Cash and interest-bearing deposits	3,622,856	1,747,172	5,370,028
Investments	345,711	-	345,711
Capital assets:			
Land and construction in progress	1,453,634	4,424,300	5,877,934
Capital assets, net	<u>40,456,528</u>	<u>42,395,468</u>	<u>82,851,996</u>
Total noncurrent assets	<u>45,878,729</u>	<u>48,566,940</u>	<u>94,445,669</u>
Total assets	<u>52,075,377</u>	<u>48,983,921</u>	<u>101,059,298</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred loss on bond refunding	258,088	-	258,088
Deferred outflows related to pensions	<u>1,109,384</u>	<u>-</u>	<u>1,109,384</u>
Total deferred outflows of resources	<u>1,367,472</u>	<u>-</u>	<u>1,367,472</u>
LIABILITIES			
Current liabilities:			
Accounts, salaries and other payables	634,257	444,344	1,078,601
Unearned revenue	-	24,112	24,112
Capital lease payable	9,532	-	9,532
Note payable	93,529	-	93,529
Bonds payable	1,835,000	288,000	2,123,000
Accrued interest	<u>239,255</u>	<u>7,262</u>	<u>246,517</u>
Total current liabilities	<u>2,811,573</u>	<u>763,718</u>	<u>3,575,291</u>
Noncurrent liabilities:			
Customers' deposits	-	375,785	375,785
Net pension liability	1,572,740	-	1,572,740
Capital lease payable	16,487	-	16,487
Note payable	685,879	-	685,879
Bonds payable	<u>29,927,600</u>	<u>3,272,000</u>	<u>33,199,600</u>
Total noncurrent liabilities	<u>32,202,706</u>	<u>3,647,785</u>	<u>35,850,491</u>
Total liabilities	<u>35,014,279</u>	<u>4,411,503</u>	<u>39,425,782</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions	<u>25,113</u>	<u>-</u>	<u>25,113</u>
NET POSITION			
Net investment in capital assets	11,228,575	43,459,724	54,688,299
Restricted for sales tax dedications	2,562,960	-	2,562,960
Restricted for debt service	2,823,230	193,333	3,016,563
Restricted for water fund operations	-	852,006	852,006
Unrestricted	<u>1,788,692</u>	<u>67,355</u>	<u>1,856,047</u>
Total net position	<u>\$ 18,403,457</u>	<u>\$ 44,572,418</u>	<u>\$ 62,975,875</u>

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

CITY OF YOUNGSVILLE, LOUISIANA

Statement of Activities
For the Year Ended June 30, 2017

Activities	Expenses	Program Revenues			Net (Expense) Revenues and Changes in Net Position		
		Fees, Fines, and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental activities:							
General government	\$ 1,772,650	\$ 1,092,140	\$ -	\$ -	\$ (680,510)	\$ -	\$ (680,510)
Public safety:							
Police	2,864,179	723,774	123,480	11,994	(2,004,931)	-	(2,004,931)
Fire	429,296	-	-	-	(429,296)	-	(429,296)
Streets	2,686,205	-	538,692	117,543	(2,029,970)	-	(2,029,970)
Interest on long-term debt	1,197,225	-	-	-	(1,197,225)	-	(1,197,225)
Total governmental activities	<u>8,949,555</u>	<u>1,815,914</u>	<u>662,172</u>	<u>129,537</u>	<u>(6,341,932)</u>	<u>-</u>	<u>(6,341,932)</u>
Business-type activities:							
Water	2,048,797	2,189,289	-	-	-	140,492	140,492
Sewer	938,782	1,007,412	-	518,303	-	586,933	586,933
Sanitation	959,450	1,051,919	-	-	-	92,469	92,469
Recreation	2,645,081	797,580	-	22,931	-	(1,824,570)	(1,824,570)
Total business-type activities	<u>6,592,110</u>	<u>5,046,200</u>	<u>-</u>	<u>541,234</u>	<u>-</u>	<u>(1,004,676)</u>	<u>(1,004,676)</u>
Total	<u>\$ 15,541,665</u>	<u>\$ 6,862,114</u>	<u>\$ 662,172</u>	<u>\$ 670,771</u>	<u>(6,341,932)</u>	<u>(1,004,676)</u>	<u>(7,346,608)</u>
General revenues:							
Taxes -							
Ad valorem taxes					1,173,117	412,118	1,585,235
Sales and use taxes, levied for general purposes					7,796,512	-	7,796,512
Franchise taxes					592,756	-	592,756
Grants and contributions not restricted to specific programs -							
State sources					15,005	-	15,005
Non-employer pension contribution					31,219	-	31,219
Interest and investment earnings					43,320	941	44,261
Miscellaneous					39,724	87,436	127,160
Transfers					(2,443,296)	2,443,296	-
Total general revenues and transfers					<u>7,223,723</u>	<u>2,943,791</u>	<u>10,167,514</u>
Change in net position					881,791	1,939,115	2,820,906
Net position - July 1, 2016					17,521,666	42,633,303	60,154,969
Net position - June 30, 2017					<u>\$ 18,403,457</u>	<u>\$ 44,572,418</u>	<u>\$ 62,975,875</u>

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

FUND FINANCIAL STATEMENTS (FFS)

MAJOR 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

1968 Sales Tax Fund -

To account for the receipt and use of proceeds of the City's 1968 1% sales and use tax. The tax is dedicated to constructing, acquiring, extending, improving and/or maintaining sewers and sewerage disposal works, waterworks, public streets, roads, alleys, sidewalks, and drainage facilities, including the purchase of equipment therefore. The tax proceeds may also be funded into bonds or used to pay any bonded or funded indebtedness of the City incurred for such capital purposes, to the extent and in the manner provided by state law.

1981 Sales Tax Fund -

To account for the receipt and use of proceeds of the City's 1981 1% sales and use tax. The tax is dedicated to maintain the City's 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. On November 15, 2012, 50% of the tax was rededicated to the General Fund for a period of two years ending December 31, 2014. On November 6, 2014, the 50% rededication was approved as a permanent change.

1999 Sales Tax Fund -

To account for the receipt and use of proceeds of the City'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 City and to be funded into bonds to pay the capital costs thereof to the extent and in the manner permitted by state law.

Recreational Facilities Sales Tax Fund -

To account for the receipt and use of proceeds of the City's Recreational Facilities 1% sales and use tax. The tax is dedicated to pay for the debt service on the revenue bonds associated with the acquisition, construction, and equipping of a multi-purpose community center and related infrastructure and recreational facilities and ongoing operation and maintenance of the facilities.

Debt Service Fund

General Obligation Bonds Fund -

To accumulate monies for payment of \$5,000,000 of 2009 sales tax bonds and \$8,140,000 of 2011 revenue bonds, which are financed from the collection of the City's 1968 1% sales tax, rededicated in 2006. The fund is also utilized to accumulate monies for payment of \$10,000,000 2012 and \$9,500,000 2013 Recreational Facility Sales Tax Revenue Bonds, which is financed from the collection of the City's Recreational Facility 1% sales tax. Additionally, the fund is used to accumulate monies for payment of \$2,025,000 of 2012 limited tax revenue bonds, which are financed from the collection of ad valorem taxes. Finally, the fund is used to accumulate monies for payment of \$848,000 of 2013 sales tax refunding bonds, which are financed from the collection of the City's 1999 1/2% sales tax.

Capital Projects Fund

Street Improvements and Construction Fund -

To account for the improvements and construction of various street projects using proceeds from grant revenue and issuance of general obligation bonds.

Recreational Facility Construction Fund -

To account for the construction of the recreational facility and the multi-purpose community center utilizing the proceeds of the \$10,000,000 2012 and \$9,500,000 2013 Recreational Facility Sales Tax Revenue Bonds and grant revenues.

Enterprise Funds

Utility Fund -

To account for the provision of water, sewerage and sanitation services to residents of the City. 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.

Sports Complex Fund -

To account for the operation of the Youngsville Sports Complex facility. All fees and revenues derived from the facility and all related expenses are accounted for in this fund.

CITY OF YOUNGSVILLE, LOUISIANA

Balance Sheet
Governmental Funds
June 30, 2017

	General	1968 Sales Tax Special Revenue	1981 Sales Tax Special Revenue	1999 Sales Tax Special Revenue	Recreational Facilities Sales Tax Revenue	General Obligation Bonds	Street Improvements and Construction	Recreational Facility Construction	Total
ASSETS									
Cash and interest-bearing deposits	\$ 2,003,525	\$ 438,192	\$ 352,139	\$ 1,192,593	\$ 59,424	\$ 2,772,358	\$ 714,646	\$ 135,852	\$ 7,668,729
Investments	-	-	-	-	-	345,711	-	-	345,711
Receivables:									
Taxes	947	511,559	-	-	207,555	-	-	-	720,061
Accrued interest	-	-	-	-	-	-	-	-	-
Due from other governmental units	399,163	-	-	-	-	-	-	-	399,163
Due from other funds	1,302,435	355,584	197,528	784,297	300,000	-	154,144	27,200	3,121,188
Other	5,697	-	-	-	-	-	-	-	5,697
Prepaid items	53,951	-	63,645	-	-	-	-	-	117,596
Total assets	<u>\$ 3,765,718</u>	<u>\$ 1,305,335</u>	<u>\$ 613,312</u>	<u>\$ 1,976,890</u>	<u>\$ 566,979</u>	<u>\$ 3,118,069</u>	<u>\$ 868,790</u>	<u>\$ 163,052</u>	<u>\$ 12,378,145</u>
LIABILITIES AND FUND BALANCES									
Liabilities -									
Accounts payable	\$ 447,145	\$ 1,200	\$ 43,309	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 491,654
Contracts payable	-	-	-	-	-	-	1,554	-	1,554
Accrued liabilities	85,001	-	56,048	-	-	-	-	-	141,049
Due to other funds	600	1,207,371	369,942	3,610	154,431	55,584	421,392	-	2,212,930
Total liabilities	<u>532,746</u>	<u>1,208,571</u>	<u>469,299</u>	<u>3,610</u>	<u>154,431</u>	<u>55,584</u>	<u>422,946</u>	<u>-</u>	<u>2,847,187</u>
Fund balances -									
Nonspendable (for prepaid items)	53,951	-	63,645	-	-	-	-	-	117,596
Restricted:									
Sales tax dedications	-	96,764	80,368	1,973,280	412,548	-	-	-	2,562,960
Debt service	-	-	-	-	-	3,062,485	-	-	3,062,485
Capital projects	-	-	-	-	-	-	445,844	163,052	608,896
Unassigned	3,179,021	-	-	-	-	-	-	-	3,179,021
Total fund balances	<u>3,232,972</u>	<u>96,764</u>	<u>144,013</u>	<u>1,973,280</u>	<u>412,548</u>	<u>3,062,485</u>	<u>445,844</u>	<u>163,052</u>	<u>9,530,958</u>
Total liabilities and fund balances	<u>\$ 3,765,718</u>	<u>\$ 1,305,335</u>	<u>\$ 613,312</u>	<u>\$ 1,976,890</u>	<u>\$ 566,979</u>	<u>\$ 3,118,069</u>	<u>\$ 868,790</u>	<u>\$ 163,052</u>	<u>\$ 12,378,145</u>

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

CITY OF YOUNGSVILLE, LOUISIANA

Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
June 30, 2017

Total fund balances for governmental funds at June 30, 2017		\$ 9,530,958
Total net position reported for governmental activities in the statement of net position 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	\$ 1,453,634	
Buildings, net of \$637,711 accumulated depreciation	1,777,594	
Infrastructure, net of \$6,421,641 accumulated depreciation	38,049,493	
Equipment, net of \$1,688,782 accumulated depreciation	<u>629,441</u>	41,910,162
The deferred loss on bond refunding is not an available resource, and therefore, is not reported in the funds		258,088
The deferred outflows of expenditures for the municipal police employees retirement system are not a use of current resources, and therefore, are not reported in the funds		1,109,384
Long-term liabilities at June 30, 2017:		
Capital lease payable	(26,019)	
Note payable	(779,408)	
Bonds payable	(31,762,600)	
Net pension liability	(1,572,740)	
Accrued interest payable	<u>(239,255)</u>	(34,380,022)
The deferred inflows of contributions for the municipal police employees retirement system are not available resources, and therefore, are not reported in the funds		<u>(25,113)</u>
Total net position of governmental activities at June 30, 2017		<u>\$ 18,403,457</u>

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

CITY OF YOUNGSVILLE, LOUISIANA

Statement of Revenues, Expenditures, and Changes in Fund Balances-
Governmental Funds
For the Year Ended June 30, 2017

	General	1968 Sales Tax Special Revenue	1981 Sales Tax Special Revenue	1999 Sales Tax Special Revenue	Recreational Facilities Sales Tax Revenue	General Obligation Bonds	Street Improvements and Construction	Recreational Facility Construction	Total
Revenues:									
Taxes	\$ 2,884,775	\$ 2,227,480	\$ 1,113,740	\$ 1,113,741	\$ 2,222,649	\$ -	\$ -	\$ -	\$ 9,562,385
Licenses and permits	1,092,140	-	-	-	-	-	-	-	1,092,140
Intergovernmental	671,240	-	123,480	-	-	-	-	-	794,720
Fines and forfeits	113,130	-	610,644	-	-	-	-	-	723,774
Miscellaneous	41,150	763	28,410	1,933	1,951	4,843	3,994	-	83,044
Total revenues	<u>4,802,435</u>	<u>2,228,243</u>	<u>1,876,274</u>	<u>1,115,674</u>	<u>2,224,600</u>	<u>4,843</u>	<u>3,994</u>	<u>-</u>	<u>12,256,063</u>
Expenditures:									
Current -									
General government	1,607,570	27,849	17,610	14,650	22,264	-	59,016	-	1,748,959
Public safety:									
Police	-	-	2,449,515	-	-	-	-	-	2,449,515
Fire	429,296	-	-	-	-	-	-	-	429,296
Streets	1,378,941	-	-	-	-	-	-	-	1,378,941
Capital outlay	679,675	-	107,099	-	-	-	945,460	-	1,732,234
Debt service	44,276	36,738	22,960	18,369	1,683	2,940,259	-	-	3,064,285
Total expenditures	<u>4,139,758</u>	<u>64,587</u>	<u>2,597,184</u>	<u>33,019</u>	<u>23,947</u>	<u>2,940,259</u>	<u>1,004,476</u>	<u>-</u>	<u>10,803,230</u>
Excess (deficiency) of revenues over expenditures	<u>662,677</u>	<u>2,163,656</u>	<u>(720,910)</u>	<u>1,082,655</u>	<u>2,200,653</u>	<u>(2,935,416)</u>	<u>(1,000,482)</u>	<u>-</u>	<u>1,452,833</u>
Other financing sources (uses):									
Issuance of bonds	-	-	-	-	-	3,565,000	-	-	3,565,000
Transfer to escrow agent	-	-	-	-	-	(3,500,380)	-	-	(3,500,380)
Proceeds from capital lease	-	-	29,973	-	-	-	-	-	29,973
Transfers in	744,786	-	760,000	-	-	2,955,714	95,953	-	4,556,453
Transfers out	(1,097,816)	(2,075,974)	-	(1,539,312)	(2,108,632)	-	-	(178,015)	(6,999,749)
Total other financing sources (uses)	<u>(353,030)</u>	<u>(2,075,974)</u>	<u>789,973</u>	<u>(1,539,312)</u>	<u>(2,108,632)</u>	<u>3,020,334</u>	<u>95,953</u>	<u>(178,015)</u>	<u>(2,348,703)</u>
Net changes in fund balances	309,647	87,682	69,063	(456,657)	92,021	84,918	(904,529)	(178,015)	(895,870)
Fund balances, beginning	<u>2,923,325</u>	<u>9,082</u>	<u>74,950</u>	<u>2,429,937</u>	<u>320,527</u>	<u>2,977,567</u>	<u>1,350,373</u>	<u>341,067</u>	<u>10,426,828</u>
Fund balances, ending	<u>\$ 3,232,972</u>	<u>\$ 96,764</u>	<u>\$ 144,013</u>	<u>\$ 1,973,280</u>	<u>\$ 412,548</u>	<u>\$ 3,062,485</u>	<u>\$ 445,844</u>	<u>\$ 163,052</u>	<u>\$ 9,530,958</u>

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

CITY 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, 2017

Total net changes in fund balances at June 30, 2017 per Statement of
Revenues, Expenditures and Changes in Fund Balances \$ (895,870)

The change in net position reported for governmental activities in the
statement of activities is different because:

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.

Capital outlay which is considered expenditures on Statement of Revenues, Expenditures and Changes in Fund Balances	\$1,708,285	
Capital assets transferred from the Sports Complex Fund	11,994	
Depreciation expense for the year ended June 30, 2017	(1,446,556)	
Loss on sale/disposal of capital assets	<u>(24,634)</u>	249,089

Bond proceeds are reported as financing sources in governmental funds and
thus contribute to the change in fund balance. In the statement of net position,
however, issuing debt increases long-term liabilities and does not affect the
statement of activities. Similarly, repayment of principal and capital leases
are recorded as expenditures in the governmental funds but reduce liability in
the statement of net position. Also governmental funds report the effect of
premiums, discounts, and similar items when debt is first issued, whereas
these amounts are deferred and amortized in the statement of activities:

Bond proceeds	(3,565,000)	
Proceeds from capital lease	(29,973)	
Payment to escrow agent	3,547,132	
Principal paid on long-term debt	1,813,000	
Principal paid on capital lease	29,658	
Principal paid on note payable	93,528	
Loss on bond refunding amortized	(129,044)	
Amortization of bond discount	<u>(5,087)</u>	1,754,214

Governmental funds record bond interest expense when the payments are made.

Bond interest payments owed for the current fiscal year which will be paid
during the next fiscal year were accrued and are recorded as an expense in
the statement of activities. 18,253

Pension expense not requiring the use of current economic sources and,
therefore, not recorded as a fund expenditure (275,114)

Non-employer's contributions to the municipal police employees retirement plan 31,219

Total changes in net position at June 30, 2017 per Statement of Activities \$ 881,791

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

CITY OF YOUNGSVILLE, LOUISIANA

Statement of Net Position
 Proprietary Funds
 June 30, 2017

	Utility Fund	Sports Complex Fund	Total
ASSETS			
Current assets:			
Cash	\$ 377,144	\$ 17,073	\$ 394,217
Receivables:			
Accounts receivable (net)	498,891	196,607	695,498
Accrued interest receivable	349	-	349
Due from other funds	-	2,608	2,608
Due from other governmental units	92,013	-	92,013
Other receivables	711	-	711
Inventory	-	5,790	5,790
Prepaid Items	47,905	88,756	136,661
Total current assets	<u>1,017,013</u>	<u>310,834</u>	<u>1,327,847</u>
Noncurrent assets:			
Restricted assets -			
Cash	1,244,199	-	1,244,199
Interest-bearing deposits, at cost	502,973	-	502,973
Capital assets:			
Land and construction in progress	953,300	3,471,000	4,424,300
Other capital assets, net of accumulated depreciation	21,550,098	20,845,370	42,395,468
Total noncurrent assets	<u>24,250,570</u>	<u>24,316,370</u>	<u>48,566,940</u>
Total assets	<u>25,267,583</u>	<u>24,627,204</u>	<u>49,894,787</u>
LIABILITIES			
Current liabilities:			
Accounts payable	154,232	42,322	196,554
Contracts payable	78,652	-	78,652
Retainage payable	132,191	-	132,191
Other liabilities	17,923	19,024	36,947
Due to other funds	617,720	293,146	910,866
Unearned revenue	-	24,112	24,112
Payable from restricted assets -			
Revenue bonds	288,000	-	288,000
Accrued interest	7,262	-	7,262
Total current liabilities	<u>1,295,980</u>	<u>378,604</u>	<u>1,674,584</u>
Noncurrent liabilities:			
Customers' deposits	375,785	-	375,785
Revenue bonds payable	3,272,000	-	3,272,000
Total noncurrent liabilities	<u>3,647,785</u>	<u>-</u>	<u>3,647,785</u>
Total liabilities	<u>4,943,765</u>	<u>378,604</u>	<u>5,322,369</u>
NET POSITION			
Net investment in capital assets	19,143,354	24,316,370	43,459,724
Restricted for debt service	193,333	-	193,333
Restricted for water department operations	852,006	-	852,006
Unrestricted (deficit)	135,125	(67,770)	67,355
Total net position	<u>\$ 20,323,818</u>	<u>\$ 24,248,600</u>	<u>\$ 44,572,418</u>

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

CITY OF YOUNGSVILLE, LOUISIANA

Statement of Revenues, Expenses, and Changes in Fund Net Position -
Proprietary Funds
For the Year Ended June 30, 2017

	Utility Fund	Sports Complex Fund	Total
Operating revenues:			
Charges for services -			
Water sales	\$ 1,806,466	\$ -	\$ 1,806,466
Sewer service charges	863,326	-	863,326
Sanitation charges	1,032,850	-	1,032,850
Recreation	-	797,580	797,580
Miscellaneous	545,978	69,943	615,921
Total operating revenues	<u>4,248,620</u>	<u>867,523</u>	<u>5,116,143</u>
Operating expenses:			
Water department	2,035,241	-	2,035,241
Sewerage department	903,933	-	903,933
Sanitation department	959,450	-	959,450
Recreation department	-	2,645,081	2,645,081
Total operating expenses	<u>3,898,624</u>	<u>2,645,081</u>	<u>6,543,705</u>
Operating income (loss)	<u>349,996</u>	<u>(1,777,558)</u>	<u>(1,427,562)</u>
Nonoperating revenues (expenses):			
Ad valorem taxes	412,118	-	412,118
Insurance proceeds	-	17,493	17,493
Interest income	941	-	941
Interest expense	(48,405)	-	(48,405)
Total nonoperating revenues (expenses)	<u>364,654</u>	<u>17,493</u>	<u>382,147</u>
Income (loss) before contributions and transfers	714,650	(1,760,065)	(1,045,415)
Capital contributions	518,303	22,931	541,234
Transfers in	1,448,644	994,652	2,443,296
Change in net position	2,681,597	(742,482)	1,939,115
Net position, beginning	<u>17,642,221</u>	<u>24,991,082</u>	<u>42,633,303</u>
Net position, ending	<u>\$20,323,818</u>	<u>\$24,248,600</u>	<u>\$ 44,572,418</u>

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

CITY OF YOUNGSVILLE, LOUISIANA

Statement of Cash Flows
 Proprietary Funds
 For the Year Ended June 30, 2017

	Utility Fund	Sports Complex Fund	Total
Cash flows from operating activities:			
Receipts from customers	\$ 3,641,141	\$ 650,477	\$ 4,291,618
Payments to suppliers	(2,715,155)	(1,275,373)	(3,990,528)
Payments to employees	(496,579)	(522,414)	(1,018,993)
Other receipts	545,978	69,943	615,921
Net cash provided (used) by operating activities	<u>975,385</u>	<u>(1,077,367)</u>	<u>(101,982)</u>
Cash flows from noncapital financing activities:			
Cash received from other funds	154,918	192,154	347,072
Transfers from other funds	1,448,644	994,652	2,443,296
Net cash provided by noncapital financing activities	<u>1,603,562</u>	<u>1,186,806</u>	<u>2,790,368</u>
Cash flows from capital and related financing activities:			
Principal paid on revenue bonds payable	(294,000)	-	(294,000)
Interest and fiscal charges paid on revenue bonds payable	(49,237)	-	(49,237)
Net increase in customer deposits payable	3,648	-	3,648
Acquisition of property, plant and equipment	(3,233,312)	(213,603)	(3,446,915)
Proceeds from ad valorem taxes	412,118	-	412,118
Proceeds from insurance/grants/capital contributions	622,655	40,424	663,079
Net cash used by capital and related financing activities	<u>(2,538,128)</u>	<u>(173,179)</u>	<u>(2,711,307)</u>
Cash flows from investing activities:			
Purchase of interest-bearing deposits	(281,407)	-	(281,407)
Maturities of interest-bearing deposits	167,071	-	167,071
Interest on investments	961	-	961
Net cash used by investing activities	<u>(113,375)</u>	<u>-</u>	<u>(113,375)</u>
Net decrease in cash and cash equivalents	(72,556)	(63,740)	(136,296)
Cash and cash equivalents, beginning of period	<u>1,915,465</u>	<u>80,813</u>	<u>1,996,278</u>
Cash and cash equivalents, end of period	<u>\$ 1,842,909</u>	<u>\$ 17,073</u>	<u>\$ 1,859,982</u>

(continued)

CITY OF YOUNGSVILLE, LOUISIANA

Statement of Cash Flows
 Proprietary Funds (Continued)
 For the Year Ended June 30, 2017

	Utility Fund	Sports Complex Fund	Total
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$ 349,996	\$(1,777,558)	\$(1,427,562)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	718,770	837,241	1,556,011
Changes in current assets and liabilities:			
Increase in accounts receivable	(61,501)	(147,103)	(208,604)
Decrease in other receivables	619	-	619
(Increase) decrease in prepaid items	(125)	14,075	13,950
Decrease in accounts payable	(36,539)	(4,553)	(41,092)
Increase in other liabilities	4,165	4,169	8,334
Decrease in unearned revenue	-	(3,638)	(3,638)
Net cash provided (used) by operating activities	<u>\$ 975,385</u>	<u>\$(1,077,367)</u>	<u>\$ (101,982)</u>
Reconciliation of cash and cash equivalents per statement of cash flows to the statement of net position:			
Cash and cash equivalents, beginning of period -			
Cash - unrestricted	\$ 376,812	\$ -	\$ 376,812
Cash - restricted	1,203,729	80,813	\$ 1,284,542
Interest-bearing deposits - restricted	501,995	-	501,995
Less: Interest-bearing deposits with a maturity over three months	<u>(167,071)</u>	<u>-</u>	<u>(167,071)</u>
Total cash and cash equivalents, beginning of period	<u>1,915,465</u>	<u>80,813</u>	<u>1,996,278</u>
Cash and cash equivalents, end of period -			
Cash - unrestricted	377,144	17,073	394,217
Cash - restricted	1,244,199	-	1,244,199
Interest-bearing deposits - restricted	502,973	-	502,973
Less: Interest-bearing deposits with a maturity over three months	<u>(281,407)</u>	<u>-</u>	<u>(281,407)</u>
Total cash and cash equivalents, end of period	<u>1,842,909</u>	<u>17,073</u>	<u>1,859,982</u>
Net decrease	<u>\$ (72,556)</u>	<u>\$ (63,740)</u>	<u>\$ (136,296)</u>

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

CITY OF YOUNGSVILLE, LOUISIANA

Notes to Basic Financial Statements

(1) Summary of Significant Accounting Policies

The accompanying financial statements of the City of Youngsville (the City) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this note.

A. Financial Reporting Entity

The City of Youngsville was incorporated under the provisions of the Lawrason Act. The City operates under the Mayor-City Council form of government.

This report includes all funds that are controlled by or dependent on the City executive and legislative branches (the Mayor and City Council). Control by or dependence on the City 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 City 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 City 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 position 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.

The statement of activities presents a comparison between direct expenses and program revenues for the business-type activities of the City and for each function of the City'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.

CITY OF YOUNGSVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Fund Financial Statements

The accounts of the City 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 City 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 City 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 City are described below:

Governmental Funds -

General Fund

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

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 for 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 for 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 for expenditures for specific purposes.

Recreational Facility Sales Tax Fund –

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

CITY OF YOUNGSVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Debt Service Fund – General Obligation Bonds Fund –

The General Obligation Bonds Fund is used to accumulate monies for payment of the City's general obligation bonds, which are being financed by the 1968, 1999, and Recreational Facilities sales tax revenues, and ad valorem taxes.

Capital Projects Funds

Street Improvements and Construction Fund –

The Street Improvements and Construction Fund is used to account for the improvements and construction of various street projects using proceeds from grant revenue and issuance of bonds.

Recreational Facility Construction Fund -

The Recreational Facility Construction Fund is used to account for the construction of the recreational facility and multi-purpose community center using proceeds from grant revenue and issuance of bonds. During the fiscal year ended June 30, 2014, the recreational facility was completed and the assets were transferred to the Sports Complex Fund.

Proprietary Funds -

Enterprise Funds

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 City of Youngsville's enterprise funds are the Utility Fund and the Sports Complex 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.

Measurement Focus

On the government-wide statement of net position 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:

CITY OF YOUNGSVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

- 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 position (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 position.

Basis of Accounting

In the government-wide statement of net position 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, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

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.

The proprietary funds utilize 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, Deferred Outflows, Liabilities, Deferred Inflows and Equity

Cash and interest-bearing deposits

For purposes of the statement of net position, cash and interest-bearing deposits include all demand accounts, savings accounts, and certificates of deposits of the City. 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.

Under state law, the City may invest in United States bonds, treasury notes, or certificates.

CITY OF YOUNGSVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

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 position.

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 through the establishment of an allowance account at the time information becomes available which would indicate the uncollectibility of the particular receivable. The allowance for uncollectibles for customers’ utility receivables was \$74,795 at June 30, 2017. 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.

Inventories

Inventory of the Sports Complex Fund consists of supplies purchased which are valued at cost (first-in, first out).

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 City maintains a threshold level of \$1,000 or more for capitalizing capital assets.

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 position. 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
Sports Complex	30 years
Equipment	5 years
Utility system and improvements	20-40 years
Infrastructure	20 years

CITY OF YOUNGSVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures in 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, interest-bearing deposits and investments that are legally restricted as to their use. The restricted assets are related to capital projects constructions accounts, revenue bond accounts and utility meter deposits.

Deferred Outflows of Resources and Deferred Inflows of Resources

In some instances, the GASB requires a government to delay recognition of decreases in net position as expenditures until a future period. In other instances, governments are required to delay recognition of increases in net position as revenues until a future period. In these circumstances, deferred outflows of resources and deferred inflows of resources result from the delayed recognition of expenditures or revenues, respectively. The City recognizes deferred outflows of resources and deferred inflows of resources that are attributable to unamortized losses on bond refundings and its pension plan.

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.

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, 2017.

CITY OF YOUNGSVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Equity Classifications

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

- a. Net investment in capital assets – Consists of net capital assets reduced by outstanding balances of any related debt obligations and deferred inflows of resources attributable to the acquisition, construction, or improvement of those assets and increased by balances of deferred outflows of resources related to those assets.
- b. Restricted net position – Net position is considered restricted if the use is constrained to a particular purpose. Restrictions are imposed by external organizations such as federal or state laws or buyers of the City's debt. Restricted net position is reduced by liabilities and deferred inflows of resources related to the restricted assets.
- c. Unrestricted net position – Consists of all other net position that does not meet the definition of the two components and is available for general use by the City.

In the fund financial statements, governmental fund equity is classified as fund balance. As such, fund balances of the governmental funds are classified as follows:

- a. Nonspendable – amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.
- b. Restricted – amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.
- c. Committed – amounts that can be used only for specific purposes determined by a formal decision of the City's Mayor and City Council, which is the highest level of decision-making authority for the City.
- d. Assigned – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes determined by a formal decision of the City's Mayor and City Council.
- e. Unassigned – all other spendable amounts.

CITY OF YOUNGSVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

When an expenditure is incurred for the purposes for which both restricted and unrestricted fund balance is available, the City considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the City considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the City has provided otherwise in their commitment or assignment actions.

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.

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 City 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 City uses unrestricted resources only when restricted resources are fully depleted.

CITY OF YOUNGSVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

G. Capitalization of Interest Expense

It is the policy of the City of Youngsville to capitalize material amounts of interest resulting from borrowings in the course of the construction of capital assets. During the fiscal year ended June 30, 2017, there was no interest capitalized.

H. Bond Discount and Bond Issue Costs

Bond discount is being amortized by the straight-line method over the life of the related bond. Bond issue costs are expensed in the year they are incurred.

I. 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.

J. Report Reclassification

Certain previously reported amounts for the year ended June 30, 2016 have been reclassified to conform to the June 30, 2017 classifications.

(2) Ad Valorem Taxes

Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. The taxes are based on assessed values determined by the Tax Assessor of Lafayette Parish and are collected by the Sheriff. Taxes were billed to taxpayers by the Assessor in November and are due by December 31, becoming delinquent on January 1 of the following year. City property tax revenues are budgeted in the year billed.

For the year ended June 30, 2017, taxes of 11.68 mills were levied on property with assessed valuations totaling \$127,610,618 and were dedicated for general corporate purposes (3.82 mills), fire protection (4.86 mills), and water services (3 mills).

Gross taxes levied for the current fiscal year totaled \$1,490,493. The taxes are remitted to the City net of deductions for pension fund contributions.

(3) Sales and Use Tax

A. Proceeds of a 1 percent sales and use tax, accounted for in the 1968 Sales Tax Special Revenue Fund, (2017 collections \$2,227,480) were rededicated on September 30, 2006 and are dedicated to constructing, acquiring, extending, improving and/or maintaining sewers and sewerage disposal works, waterworks, public streets, roads, alleys, sidewalks, and drainage facilities, including the purchase of equipment therefore. The tax proceeds may also be funded into bonds or used to pay any bonded or funded indebtedness of the City incurred for such capital purposes, to the extent and in the manner provided by state law. As of June 30, 2017, the net sales tax proceeds are dedicated to paying the City's \$5,000,000 2009 Sales Tax Bonds and the \$3,500,000 2014 Sales Tax Bonds.

CITY OF YOUNGSVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

- B. Proceeds of a 1% sales and use tax levied by the City of Youngsville, accounted for in the 1981 Sales Tax Special Revenue Fund, (2017 collections \$2,227,480) of which \$1,113,740 was transferred to the General Fund as per special election) are dedicated to providing funds to maintain the City'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.

On November 15, 2012, a special election was held at which time the citizens of the City voted to rededicate 50% of the 1981 Sales Tax revenues to the General Fund for a period of two years beginning January 1, 2013 and ending December 31, 2014. On November 6, 2014, the 50% rededication was approved as a permanent change. In addition to the uses authorized in the original sales tax dedication, the rededicated tax may be used to pay for constructing, improving, and maintaining works of public improvement and acquiring equipment therefore; constructing, acquiring, operating and maintaining fire protection facilities and acquiring equipment and furnishings therefore and paying fire department salaries and benefits.

- C. Proceeds of a 1/2% percent sales and use tax, accounted for in the 1999 Sales Tax Special Revenue Fund, (2017 collections \$1,113,741) beginning September 1, 2000 are dedicated for constructing, acquiring, improving, maintaining and operating sewers and sewerage disposal works for the City, and to be funded into bonds to pay the capital costs thereof, to the extent and in the manner provided by state law. As of June 30, 2017, the net sales tax proceeds are dedicated to paying the City's \$848,000 Sales Tax Refunding Bonds, the 2010 Sewer Revenue Bonds, and the Sewer Revenue Refunding Bonds.

- D. Proceeds of a 1% percent sales and use tax, accounted for in the Recreational Facility Sales Tax Special Revenue Fund, (2017 collections \$2,222,649) beginning April 1, 2012 are dedicated for the payment of revenue bonds associated with the acquisition, construction and equipping of a Community Center and related infrastructure and recreational facilities and ongoing operation and maintenance expenses of the facilities, and for any and all other lawful purposes for which the tax may be expended. As of June 30, 2017, the net sales tax proceeds are dedicated to paying the City's \$10,000,000 Recreational Facility Sales Tax Revenue Bonds, dated May 23, 2012, and the City's \$9,500,000 Recreational Facility Sales Tax Revenue Bonds, dated May 2, 2013.

(4) Cash and Interest-Bearing Deposits

Under state law, the City 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 City 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, 2017, the City had cash and interest-bearing deposits (book balances) totaling \$9,810,118 as follows:

Non interest-bearing	\$ 3,496,486
Interest-bearing	6,025,174
Time deposits	288,458
Total	<u>\$ 9,810,118</u>

CITY OF YOUNGSVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution, the City's deposits may not be recovered or will not be able to recover collateral securities that are in the possession of an outside party. 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 similar federal security 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 City or the pledging fiscal agent bank by a holding or custodial bank that is mutually acceptable to both parties. Deposit balances (bank balances) at June 30, 2017, are secured as follows:

Bank balances	<u>\$ 10,566,362</u>
Federal deposit insurance	1,431,361
Pledged securities	<u>9,135,001</u>
Total	<u>\$ 10,566,362</u>

Deposits in the amount of \$9,135,001 were exposed to custodial credit risk. These deposits are uninsured and collateralized with securities held by the pledging institution's trust department or agent, but not in the City's name. The City does not have a policy for custodial credit risk.

(5) Investments

Beginning with the fiscal year ended June 30, 2016, the City began categorizing its fair value measurements within the fair value hierarchy established by generally accepted accounting principles in accordance with GASB 72. As of June 30, 2017, the City had investments in U.S. treasury obligations in the amount of \$345,711, which represents 100% of the City's investments as of this date. They are being held as a temporary account for the construction of street improvement projects in the City. These investments mature in less than one year and are recorded at fair value based on quoted market rates using "level 1" inputs in accordance with GASB 72. The investments are rated AAA by Standard and Poor's and are guaranteed by the U.S. government. Accordingly, there is no interest rate risk or credit risk associated with these investments.

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The investments are in the name of the City. Accordingly, the City had no custodial credit risk related to investments at June 30, 2017. The City does not have a policy for custodial credit risk.

(6) Receivables

Receivables at June 30, 2017 of \$1,421,316 (\$725,758 and \$696,558 for governmental and business-type activities, respectively) consist of the following:

	General Fund	1968 Sales Tax Fund	Recreational Facilities Sales Tax	Proprietary Funds	Total
Accounts (net)	\$ -	\$ -	\$ -	\$ 695,498	\$ 695,498
Sales tax	947	511,559	207,555	-	720,061
Other	<u>5,697</u>	<u>-</u>	<u>-</u>	<u>1,060</u>	<u>6,757</u>
	<u>\$ 6,644</u>	<u>\$ 511,559</u>	<u>\$ 207,555</u>	<u>\$ 696,558</u>	<u>\$ 1,422,316</u>

CITY OF YOUNGSVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

(7) Due from Other Governmental Units

Governmental Activities -

General Fund:

Due from Lafayette Parish Sheriff for June 2017 ad valorem tax distributions \$ 87,407

Due from State of Louisiana Governor's Office of Homeland Security for reimbursement of disaster recovery expenditures 307,903

Due from the State of Louisiana for beer tax revenues for the year ending June 30, 2017. 3,853

Total governmental activities 399,163

Business-Type Activities -

Utility Fund:

Due from the State of Louisiana Facilities Planning and Control for reimbursement of expenditures incurred for sewer projects 13,361

Due from State of Louisiana Office of Community Development for reimbursement of expenditures incurred for water projects 78,652

Total business-type activities 92,013

Total due from other governmental units \$491,176

(8) Restricted Assets

Restricted assets consisted of the following at June 30, 2017:

	Governmental Activities	Business-Type Activities	Total
Street improvements construction accounts	\$ 714,646	\$ -	\$ 714,646
Recreational Facility construction account	135,852	-	135,852
Bond and interest sinking account - investments	345,711	-	345,711
Bond and interest sinking account	834,468	174,080	1,008,548
Bond reserve account	1,937,890	194,509	2,132,399
Bond contingency account	-	120,006	120,006
Customers' deposits	-	375,785	375,785
Revenue bond construction account	-	28,274	28,274
LCDBG sewer construction account	-	2,512	2,512
Ad valorem tax water account	-	852,006	852,006
Total restricted assets	<u>\$ 3,968,567</u>	<u>\$ 1,747,172</u>	<u>\$ 5,715,739</u>

CITY OF YOUNGSVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

(9) Capital Assets

Capital asset activity for the year ended June 30, 2017 was as follows:

	<u>Balance</u> 07/01/16	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> 06/30/17
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 1,017,735	\$ -	\$ -	\$ 1,017,735
Construction in progress	1,977,621	1,482,503	3,024,225	435,899
Other capital assets:				
Buildings	2,415,305	-	-	2,415,305
Infrastructure	41,476,069	3,015,883	20,818	44,471,134
Equipment	2,134,985	246,118	62,880	2,318,223
Totals	<u>49,021,715</u>	<u>4,744,504</u>	<u>3,107,923</u>	<u>50,658,296</u>
Less accumulated depreciation				
Buildings	575,706	62,005	-	637,711
Infrastructure	5,234,991	1,207,468	20,818	6,421,641
Equipment	1,549,945	177,083	38,246	1,688,782
Total accumulated depreciation	<u>7,360,642</u>	<u>1,446,556</u>	<u>59,064</u>	<u>8,748,134</u>
Governmental activities, capital assets, net	<u>\$ 41,661,073</u>	<u>\$ 3,297,948</u>	<u>\$ 3,048,859</u>	<u>\$ 41,910,162</u>
Business-type activities:				
Capital assets not being depreciated:				
Land - sewer system	\$ 241,745	\$ -	\$ -	\$ 241,745
Land - sports complex	3,471,000	-	-	3,471,000
Construction in progress	4,317,477	3,063,908	6,669,830	711,555
Other capital assets:				
Buildings	243,757	-	-	243,757
Water system	7,658,796	4,074,915	-	11,733,711
Sewer system	14,622,673	1,670,235	-	16,292,908
Machinery and equipment	1,915,695	69,393	-	1,985,088
Sports complex	21,569,519	970,334	-	22,539,853
Totals	<u>54,040,662</u>	<u>9,848,785</u>	<u>6,669,830</u>	<u>57,219,617</u>
Less accumulated depreciation				
Sports complex	1,281,560	789,352	-	2,070,912
Water system	3,134,087	330,695	-	3,464,782
Sewer system	3,730,942	388,075	-	4,119,017
Machinery and equipment	697,249	47,889	-	745,138
Total accumulated depreciation	<u>8,843,838</u>	<u>1,556,011</u>	<u>-</u>	<u>10,399,849</u>
Business-type activities, capital assets, net	<u>\$ 45,196,824</u>	<u>\$ 8,292,774</u>	<u>\$ 6,669,830</u>	<u>\$ 46,819,768</u>

CITY OF YOUNGSVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Construction in progress of \$435,899 in the governmental activities consists of work performed through June 30, 2017 on various street improvement projects and drainage improvements. Construction in progress of \$711,555 in the business-type activities consists of work performed through June 30, 2017 on sewer system improvements.

Depreciation expense was charged to governmental activities as follows:

General government	\$ 23,691
Police	139,550
Streets	<u>1,283,315</u>
Total depreciation expense	<u>\$ 1,446,556</u>

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

Water	\$ 330,695
Sewer	388,075
Recreation	<u>837,241</u>
Total depreciation expense	<u>\$ 1,556,011</u>

(10) Accounts, Salaries, and Other Payables

The accounts, salaries, and other payables consisted of the following at June 30, 2017:

	Governmental Activities	Business-Type Activities	Total
Accounts	\$ 491,654	\$ 196,554	\$ 688,208
Contracts and retainage	1,554	210,843	212,397
Other liabilities	<u>141,049</u>	<u>36,947</u>	<u>177,996</u>
Totals	<u>\$ 634,257</u>	<u>\$ 444,344</u>	<u>\$ 1,078,601</u>

(11) Changes in Long-Term Debt

The following is a summary of long-term debt transactions of the City for the year ended June 30, 2017:

	Governmental Activities		Business-type Activities	
	General Obligation Bonds	Capital Lease	Note Payable	Revenue Bonds
Long-term debt payable, July 1, 2016	\$33,252,000	\$ 25,704	\$ 872,936	\$ 3,854,000
Long-term debt issued	3,565,000	29,973	-	-
Long-term debt retired	<u>(4,973,000)</u>	<u>(29,658)</u>	<u>(93,528)</u>	<u>(294,000)</u>
Long-term debt payable, June 30, 2017	<u>\$31,844,000</u>	<u>\$ 26,019</u>	<u>\$ 779,408</u>	<u>\$ 3,560,000</u>

CITY OF YOUNGSVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Long-term debt payable at June 30, 2017 is comprised of the following:

		<u>Current Portion</u>
General Obligation bonds -		
\$5,000,000 2009 Sales Tax Bonds, dated May 1, 2009; \$450,000 due in annual installments of \$220,000 to \$230,000 through May 1, 2019, interest at 4.375 through 4.5 percent, payable from 1968 sales tax revenues, rededicated in 2006.	\$ 450,000	\$ 220,000
\$8,140,000 2011 Revenue Bonds, dated June 1, 2011; due in annual installments of \$170,000 to \$480,000 through July 1, 2041; interest at 4.625 percent, payable from lawfully available funds.	7,360,000	170,000
\$10,000,000 2012 Recreational Facility Sales Tax Revenue Bonds, dated May 23, 2012; due in annual installments of \$405,000 to \$680,000 through December 1, 2032; interest at 3.45 percent, payable from 2012 sales tax revenues.	8,520,000	405,000
\$2,025,000 2012 Limited Tax Revenue Bonds, dated December 5, 2012; due in annual installments of \$222,000 to \$243,000 through May 1, 2021; interest at 2.25 percent, payable from ad valorem tax revenues.	925,000	222,000
\$848,000 2013 Sales Tax Refunding Bonds, dated January 31, 2013; due in annual installments of \$78,000 to \$87,000 through June 1, 2023; interest at 2.131 percent, payable from 1999 sales tax revenues.	494,000	78,000
\$9,500,000 2013 Recreational Facility Sales Tax Bonds, dated May 2, 2013; due in annual installments of \$400,000 to \$570,000 through December 1, 2033; interest at 3.625 percent, payable from 2012 sales tax revenues.	7,800,000	400,000
\$3,500,000 2014 Sales Tax Bonds, dated December 17, 2014; due in annual installments of \$295,000 to \$325,000 through May 1, 2026; interest at 2.41 percent, payable from 1968 sales tax revenues, rededicated in 2006.	2,800,000	295,000
\$3,565,000 2016 Sales Tax Refunding Bonds, dated September 14, 2016; due in annual installments of \$45,000 to \$385,000 through May 1, 2026; interest at 1.90 through 2.275 percent, payable from 1968 sales tax revenues, rededicated in 2006.	3,495,000	45,000
Total general obligation bonds payable	31,844,000	<u>\$ 1,835,000</u>
Less: Discount on issuance of debt	(81,400)	
Net general obligation bonds payable	<u>\$ 31,762,600</u>	

CITY OF YOUNGSVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

	<u>Current</u>	<u>Portion</u>
Capital lease -		
\$29,973 vehicle lease dated December 12, 2016, due in 36 monthly installments of \$918, including interest at 6.84%, through December 12, 2019, secured by 1981 sales tax revenues and an asset with a carrying value of \$28,132 at June 30, 2017.	<u>\$ 26,019</u>	<u>\$ 9,532</u>
Note payable-		
\$935,288 note payable to Lafayette Parish School Board, due in monthly installments of \$7,654, bearing no interest, through October 1, 2025, to recapture sales tax revenues erroneously remitted to the City by Lafayette Parish School Board.	<u>\$ 779,408</u>	<u>\$ 93,529</u>
Revenue bonds -		
\$4,429,000 Sewer Revenue Bonds, Series 2010 dated June 28, 2010; due in annual installments of \$210,000 to \$242,000 through May 1, 2031; interest at .95%; secured by Utility Fund revenues, 1968 sales tax revenues, rededicated in 2006, and 1999 sales tax revenues.	\$ 3,187,000	\$ 214,000
\$600,000 Water Revenue Bonds, Series 2009 dated April 6, 2009; due in annual installments of \$40,000 to \$55,000 through May 1, 2024; interest at 3.73 percent; secured by Utility Fund revenues and 1968 sales tax revenues, rededicated in 2006.	330,000	40,000
\$333,000 Sewer Revenue Refunding Bonds, Series 2009 dated June 25, 2009; due in annual installments of \$40,000 to \$42,000 through May 1, 2019; interest at 3.7 percent; secured by Utility Fund revenues, 1968 sales tax revenues, rededicated in 2006, and 1999 sales tax revenues.	<u>43,000</u>	<u>34,000</u>
Total revenue bonds payable	<u>\$ 3,560,000</u>	<u>\$ 288,000</u>

CITY 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	
	Bonds		Capital Lease		Note Payable	Bonds	
	Principal payments	Interest payments	Principal payments	Interest payments	Principal payments	Principal payments	Interest payments
2018	\$ 1,835,000	\$ 1,006,088	\$ 9,532	\$ 1,485	\$ 93,529	\$ 288,000	\$ 28,242
2019	1,897,000	957,903	10,205	812	93,529	270,000	24,529
2020	1,939,000	889,009	6,282	144	93,529	263,000	21,545
2021	1,981,000	853,807	-	-	93,529	265,000	18,886
2022	1,790,000	802,964	-	-	93,529	272,000	16,218
2023-2027	8,967,000	3,258,144	-	-	311,763	1,248,000	42,968
2028-2032	7,710,000	1,915,984	-	-	-	954,000	10,859
2033-2037	3,525,000	767,171	-	-	-	-	-
2038-2042	2,200,000	225,400	-	-	-	-	-
Total	<u>\$ 31,844,000</u>	<u>\$ 10,676,470</u>	<u>\$ 26,019</u>	<u>\$ 2,441</u>	<u>\$ 779,408</u>	<u>\$ 3,560,000</u>	<u>\$ 163,247</u>

Bond Refunding -

On September 14, 2016, the City issued \$3,565,000 of Sales Tax Refunding Bonds, Series 2016 with an average interest rate of 2.173 to refund \$3,160,000 of \$3,820,000 outstanding of Sales Tax Bonds, Series 2009 with interest rates ranging from 4.0 to 4.85%. The refunding bonds were issued at par, and after paying issuance costs of \$56,134, the net bond proceeds plus existing funds of \$46,752 were used to purchase U.S. government securities. These securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the refunded 2009 bonds. The advance refunding met the requirements of an in-substance debt defeasance and the refunded bonds were removed from the City's government-wide financial statements. As a result of the advance refunding, the City reduced its total debt service requirements by \$247,806, which resulted in an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$172,504.

CITY OF YOUNGSVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

(12) Debt Defeasance

On September 14, 2016, the City defeased \$3,160,000 of Series 2009 Sales Tax Bonds by creating a separate irrevocable trust fund. The investments and fixed earnings from the investments are sufficient to fully service the defeased debt until the debt is called or matures. For financial reporting purposes, the debt has been considered defeased and therefore, has been removed as a liability from the City's financial statements. As of June 30, 2017, the amount of defeased debt outstanding but removed from the financial statements amounted to \$3,160,000 of Series 2009 Sales Tax Bonds.

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

Utility Revenue Bonds:

- A. Under the terms of the bond indentures on outstanding Water Revenue Bonds, Series 2009 dated April 6, 2009, 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 "City of Youngsville Water Revenue Bond Sinking Fund" (the "Sinking Fund") a sum equal to 1/6 of the interest falling due on the next interest payment date, and a sum equal to 1/12 of the principal falling due on the next principal date on all bonds payable from the Sinking Fund. Transfers from the Sinking Fund should be made to the paying agent bank at least three (3) days in advance of the date on which the payment of principal or interest falls due.

There shall also be set aside into a "City of Youngsville Water Revenue Bond Reserve Fund" (the "Reserve Fund") a sum equal to 20% of the amount required to be paid into the Sinking Fund for each month until such time as there has been accumulated therein a sum equal to the Reserve Fund requirement of \$57,052. Such amounts may be used only for the payment of maturing bonds and interest on all bonds payable from the Sinking Fund as to which there would otherwise be default.

Funds will also be set aside into a "City of Youngsville Water Revenue Capital Additions and Contingencies Fund" (the "Contingencies 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 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. However, the balance may not fall below \$10,000.

Additionally, rates should be established and collected in order to generate net operating revenue from the System each year at least equal to 130% of the Reserve Fund requirement.

CITY OF YOUNGSVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

- B. Under the terms of the bond indentures on outstanding Sewer Revenue Bonds, Series 2010 dated June 28, 2010 and Sewer Revenue Refunding Bonds, Series 2009 dated June 25, 2009, 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 "Sewer Revenue Bond and Interest Sinking Fund" (the Sinking Fund), an amount sufficient to pay promptly and fully the principal and interest on the outstanding bond by transferring monthly in advance on or before the 20th day of each month a sum equal to the total amount of principal and interest accruing on the bonds for said month. Transfers from the Sinking Fund should be made to the paying agent bank at least three (3) days in advance of the date on which the payment of principal or interest falls due.

There shall also be set aside into a "Sewer Revenue Bond Reserve Fund" (the "Reserve Fund") a sum equal to 25% of the amount required to be paid into the Sinking Fund for each month until such time as there has been accumulated therein a sum equal to the Reserve Fund requirement, which amounts to \$136,220 through 2015. Such amount may be used only for the payment of maturing bonds and interest for which sufficient funds are not on deposit in the Sinking Fund and as to which there would otherwise be default.

Funds will also be set aside into a "Sewer Depreciation and Contingency Fund" (the "Contingency Fund") to care for depreciation, extensions, additions, improvements and replacements necessary to properly operate the System by transferring monthly in advance on or before the 20th day of each month until a sum equal to five percent (5%) of the net revenues for the preceding month, until \$100,000 is on deposit therein. Money in this fund shall be used to pay principal and interest on any bonds for the payment of which there is not sufficient money in the Sinking Fund or the Reserve Fund, but if so used, such money shall be replaced as soon as possible thereafter.

Additionally, rates should be established and collected in order to generate net operating revenue from the System each year at least equal to 125% of the Reserve Fund requirement.

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.

CITY OF YOUNGSVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Sales Tax Revenue Bonds:

Under the terms of the bond indentures on outstanding Sales Tax Bonds dated May 1, 2009, December 17, 2014, and September 14, 2016, all proceeds derived from the levy and collection of the 1968 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 funds called the "Sales Tax Bond Sinking Fund, amounts 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.

There will be set aside into a fund called the "Sales Tax Bond Reserve Fund" an amount of \$414,158, 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 Funds and as to which there would otherwise be default.

Under the terms of the bond indentures on outstanding Recreational Facility Sales Tax Revenue Bonds dated May 23, 2012 and May 2, 2013, all proceeds derived from the levy and collection of the 2012 recreational facility 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 funds called the "Sales Tax Bond Sinking Fund", amounts constituting 1/12 of the interest 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.

There will be set aside into a fund called the "Sales Tax Bond Reserve Fund" an amount of \$1,349,745 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 Funds and as to which there would otherwise be default.

Under the terms of the bond indenture on outstanding Sales Tax Refunding Bonds dated January 31, 2013, 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 funds called the "Sales Tax Bond Sinking Fund – 2013", amounts constituting 1/12 of the interest 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.

All of the above sales taxes were issued in perpetuity.

The City of Youngsville was in compliance with all significant limitations and restrictions in the bond indentures at June 30, 2017.

CITY OF YOUNGSVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

(14) Pension Plan

The City participates in a cost-sharing defined benefit plan, administered by a public employee retirement system. Article X, Section 29(F) of the Louisiana Constitution of 1974 assigns the authority to establish and amend benefit provisions of all plans administered by the public employee retirement system to the State Legislature. The plan is not closed to new entrants.

Municipal Police Employees' Retirement System of Louisiana (MPERS) –

Plan Description: The Municipal Police Employees' Retirement System is the administrator of a cost-sharing multiple-employer plan. Membership in MPERS is mandatory for any full-time police officer employed by a municipality of the State of Louisiana and engaged in law enforcement, empowered to make arrests, providing he or she does not have to pay social security and providing he or she meets the statutory criteria. MPERS provides retirement benefits for municipal police officers. The projections of benefit payments in the calculation of the total pension liability includes all benefits to be provided to current active and inactive employees through MPERS in accordance with benefit terms and any additional legal agreements to provide benefits that are in force at the measurement date. MPERS issues a publicly available financial report that may be accessed on their website (<http://lampers.org>).

Benefit provisions are authorized within Act 189 of 1973 and amended by LRS 11:2211-11:2233. The following is a brief description of the plan and its benefits and is provided for general information purposes only. Participants should refer to the appropriate statutes for more complete information.

The system's financial statements are prepared using the accrual basis of accounting. Employer and employee contributions are recognized in the period in which the employee is compensated for services performed. Benefits are recognized when due and payable in accordance with the terms of the plan. Interest income is recognized when earned.

Membership Prior to January 1, 2013 – A member is eligible for regular retirement after he has been a member of MPERS and has 25 years of creditable service at any age or has 20 years of creditable service and is age 50 or has 12 years creditable service and is age 55. A member is eligible for early retirement after he has been a member of MPERS for 20 years of creditable service at any age with an actuarially reduced benefit. Benefit rates are three and one-third percent of average final compensation (average monthly earnings during the highest 36 consecutive months or joined months if service was interrupted) per number of years of creditable service, not to exceed 100% of final salary. Upon the death of an active contributing member, or disability retiree, the plan provides for surviving spouses and minor children. Under certain conditions outlined in the statutes, the benefits range from forty to sixty percent of the member's average final compensation for the surviving spouse. In addition, each child under age eighteen receives benefits equal to ten percent of the member's average final compensation or \$200 per month, whichever is greater.

CITY OF YOUNGSVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Membership Commencing January 1, 2013 – Member eligibility for regular retirement, early retirement, disability and survivor benefits are based on Hazardous Duty and Non Hazardous Duty sub plans. Under the Hazardous Duty sub plan, a member is eligible for regular retirement after he has been a member of MPERS and has 25 years of creditable service at any age or has 12 years of creditable service at age 55. Under the Non Hazardous Duty sub plan, a member is eligible for regular retirement after he has been a member of MPERS and has 30 years of creditable service at any age, 25 years of creditable service at age 55, or 10 years of creditable service at age 60. Under both sub plans, a member is eligible for early retirement after he has been a member of MPERS for 20 years of creditable service at any age, with an actuarially reduced benefit from age 55. Under the Hazardous and Non Hazardous Duty sub plans, the benefit rates are three percent and two and a half percent, respectively, of average final compensation (average monthly earnings during the highest 60 consecutive months or joined months if service was interrupted) per number of years of creditable service not to exceed 100% of final salary.

Upon death of an active contributing member, or disability retiree, the plan provides for surviving spouses and minor children. Under certain conditions outlined in the statutes, the benefits range from twenty-five to fifty-five percent of the member's average final compensation for the surviving spouse. In addition, each child under age eighteen receives ten percent of average final compensation or \$200 per month whichever is greater. If deceased member had less than ten years of service, beneficiary will receive a refund of employee contributions only.

Deferred Retirement Option Plan:

A member is eligible to elect to enter the deferred retirement option plan (DROP) when he is eligible for regular retirement based on the members' sub plan participation. Upon filing the application for the program, the employee's active membership in MPERS is terminated. At the entry date into the DROP, the employee and employer contributions cease. The amount to be deposited into the DROP account is equal to the benefit computed under the retirement plan elected by the participant at date of application. The duration of participation in the DROP is thirty six months or less. If employment is terminated after the three-year period the participant may receive his benefits by lump sum payment or a true annuity. If employment is not terminated, active contributing membership into MPERS shall resume and upon later termination, he shall receive additional retirement benefit based on the additional service. For those eligible to enter DROP prior to January 1, 2004, DROP accounts shall earn interest subsequent to the termination of DROP participation at a rate of half of one percentage point below the percentage rate of return of MPERS's investment portfolio as certified by the actuary on an annual basis but will never lose money. For those eligible to enter DROP subsequent to January 1, 2004, an irrevocable election is made to earn interest based on MPERS's investment portfolio return or a money market investment return. This could result in a negative earnings rate being applied to the account.

If the member elects a money market investment return, the funds are transferred to a government money market account.

Initial Benefit Option Plan:

In 1999, the State Legislature authorized MPERS to establish an Initial Benefit Option program. Initial Benefit Option is available to members who are eligible for regular retirement and have not participated in DROP. The Initial Benefit Option program provides both a one-time single sum payment of up to 36 months of regular monthly retirement benefit, plus a reduced monthly retirement benefit for life. Interest is computed on the balance based on same criteria as DROP.

CITY OF YOUNGSVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Contributions:

Contributions for all members are actuarially determined as required by state law but cannot be less than 9% of the employees' earnable compensation excluding overtime but including state supplemental pay. For the year ended June 30, 2016, total contributions due for employers and employees were 39.5%. The employer and employee contribution rates for all members hired prior to January 1, 2013 and Hazardous Duty members hired after January 1, 2013 were 29.5% and 10%, respectively. The employer and employee contribution rates for all Non-Hazardous Duty members hired after January 1, 2013 were 31.5% and 8%, respectively. The employer and employee contribution rates for all members whose earnable compensation is less than or equal to the poverty guidelines issued by the United States Department of Health and Human Services were 32% and 7.5%, respectively.

Net Pension Liability:

At June 30, 2017, the City reported a liability of \$1,572,740 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2016, the City's proportion was .167798%, which was an increase of .086286% from its proportion measured as of June 30, 2015.

Since the measurement date of the net pension liability was June 30, 2016, the net pension liability is based upon fiduciary net position for the plan as of those dates. Detailed information about the pension plan's assets, deferred outflows, deferred inflows, and fiduciary net position that was used in the measurement of the City's net pension liability is available in the separately issued plan financial report for those fiscal years.

Actuarial Assumptions:

The following table provides information concerning actuarial assumptions used in the determination of the total pension liability for the defined benefit plan in which the City is a participating employer:

Valuation date	June 30, 2016
Actuarial cost method	Entry Age Normal Cost
Expected remaining service lives	4 years
Investment rate of return	7.5%, net of investment expense
Inflation rate	2.875%
Projected salary increases	4.25% - 9.75%
Mortality rates	RP-2000 Combined Healthy with Blue Collar Adjustment Sex Distinct Tables projected to 2029 by Scale AA (set back 1 year for females) for healthy annuitants and beneficiaries. RP-2000 Disabled Lives Table set back 5 years for males and set back 3 years for females for disabled annuitants. RP-2000 Employee Table set back 4 year for males and 3 years for females for active members.
Cost-of-living adjustments	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost-of-living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees.

CITY OF YOUNGSVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Cost of Living Adjustments:

The pension plan in which the City participates has the authority to grant cost-of-living adjustments (COLAs) on an ad hoc basis. Pursuant to LRS 11:242(B), the power of the Board of Trustees of the statewide system to grant a COLA is effective in calendar years that the legislature fails to grant a COLA, unless in the legislation granting a COLA, the legislature authorizes the Board of Trustees to provide an additional COLA. The authority to grant a COLA by the Board is subject to the funded status and interest earnings. The effects of the benefit changes made as a result of the COLAs included in the measurement of the total pension liability as of the measurement date at which the ad hoc COLA was granted and the amount is known and reasonably estimable.

Long-term Rate of Return:

For MPERS, the long-term expected rate of return was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and an adjustment for the effect of rebalancing/diversification.

The target allocation and best estimates of arithmetic/geometric real rates of return for each major asset class are summarized for each plan in the following table:

<u>Asset Class</u>	<u>Expected Rate of Return</u>	
	<u>Target Asset Allocation</u>	<u>Long-term Expected Portfolio Real Rate of Return</u>
Equity	53%	3.69%
Fixed income	21%	0.49%
Alternative	20%	1.11%
Other	6%	0.21%
	<u>100%</u>	<u>5.50%</u>
Inflation		<u>2.75%</u>
Expected nominal return		<u>8.25%</u>

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions:

Changes in the net pension liability may either be reported in pension expense in the year the change occurred or recognized as a deferred outflow of resources or a deferred inflow of resources in the year the change occurred and amortized into pension expense over a number of years. For the year ended June 30, 2017, the City recognized \$435,963 in pension expense related to its participation in MPERS.

CITY OF YOUNGSVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

At June 30, 2017, the City reported deferred outflows of resources and deferred inflows of resources related to MPERS from the following sources:

	<u>Governmental Activities</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ -	\$ 25,018
Changes of assumptions	76,467	95
Change in proportion and differences between the employer's contributions and the employer's proportionate share of contributions	630,065	-
Net differences between projected and actual earnings on plan investments	242,003	-
Contributions subsequent to the measurement date	<u>160,849</u>	<u>-</u>
Total	<u>\$1,109,384</u>	<u>\$ 25,113</u>

Deferred outflows of resources of \$160,849 resulting from the employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended	
<u>June 30</u>	
2018	\$ 301,370
2019	303,888
2020	256,698
2021	<u>61,466</u>
	<u>\$ 923,422</u>

Discount Rate:

The projection of cash flows used to determine the discount rate assumed that the plan member contributions will be made at the current contribution rate and that sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate used to measure MPERS's net pension liability was 7.5% for the year ended June 30, 2016.

Sensitivity of the Employer's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate:

CITY OF YOUNGSVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

The following presents MPERS's net pension liability of the participating employers calculated using the discount rate of 7.5%, as well as what the employers' net pension liability would be if it were calculated using a discount rate that is one percentage point lower, or one percentage point higher than the current rate.

	1% Decrease <u>6.50%</u>	Current Discount Rate <u>7.50%</u>	1% Increase <u>8.50%</u>
Net Pension Liability	\$ 2,096,598	\$ 1,572,740	\$ 1,132,914

Payables to the Pension Plan

At June 30, 2017, the City's payables were \$16,797 for the month of June 2017, which was the contractually required contribution.

(15) Retirement and Deferred Compensation

A. Social Security System

All City of Youngsville employees, with the exception of those participating in the Municipal Police Employees' Retirement System, participate in the Social Security System. The City and its employees contribute a percentage of each employee's salary to the System (7.65% contributed by the City, 7.65% by the employee). The City's contribution during the years ended June 30, 2017, 2016, and 2015 amounted to \$191,350, \$179,292, and \$159,477, respectively.

B. Deferred Compensation Plan

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code (IRC) Section 457. The single employer plan, the City of Youngsville 457(B) Plan, administered by the Mass Mutual Financial Group, is available to all City employees, and permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. The City contributes 5% of wages to each participating employee account. For the year ended June 30, 2017, the City and employees contributed \$97,370 and \$42,819 respectively. The City's contributions are not mandatory.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are (until paid or made available to the employee or other beneficiary) held in a trust, custodial account or annuity contract described in IRC 457(g) for the exclusive benefit of the participants and their beneficiaries. The fair market value of the deferred compensation plan assets at June 30, 2017 was \$571,922.

CITY OF YOUNGSVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

(16) Segment Information for the Enterprise Funds

The City of Youngsville maintains one enterprise fund with three departments which provide water, sewerage and sanitation services. Segment information for the year ended June 30, 2017, was as follows:

	<u>Water Department</u>	<u>Sewerage Department</u>	<u>Sanitation Department</u>	<u>Total Utility Fund</u>	<u>Sports Complex Fund</u>
Operating revenues	<u>\$ 2,189,289</u>	<u>\$1,007,412</u>	<u>\$1,051,919</u>	<u>\$ 4,248,620</u>	<u>\$ 867,523</u>
Operating expenses:					
Depreciation	330,695	388,075	-	718,770	837,241
Other	<u>1,704,546</u>	<u>515,858</u>	<u>959,450</u>	<u>3,179,854</u>	<u>2,645,081</u>
Total expenses	<u>2,035,241</u>	<u>903,933</u>	<u>959,450</u>	<u>3,898,624</u>	<u>2,645,081</u>
Operating income (loss)	<u>\$ 154,048</u>	<u>\$ 103,479</u>	<u>\$ 92,469</u>	<u>\$ 349,996</u>	<u>\$(1,777,558)</u>

(17) Compensation of City Officials

A detail of compensation paid to the Mayor and City Council for the year ended June 30, 2017 follows:

Ken Ritter, Mayor	\$ 69,108
City Council:	
Jamison Abshire	11,042
Matthew Romero	11,042
Kenneth Stansbury	11,042
Dianne McClelland	12,198
Lauren Michel	<u>11,042</u>
	<u>\$ 125,474</u>

(18) Compensation, Benefits, and Other Payments to Agency Head

The schedule of compensation, benefits, and other payments to Ken Ritter, Mayor, for the year ended June 30, 2017 follows:

Salary	\$ 69,108
Benefits - insurance	1,847
Benefits - retirement	3,403
Car allowance	11,220
Reimbursements	376

CITY OF YOUNGSVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

(19) Risk Management

The City 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, nor have settlements exceeded coverage for the past three years.

(20) Pending Litigation

At June 30, 2017, the City was involved in several lawsuits claiming damages. In the opinion of the City's legal counsel, the only exposure to the City would be any costs in defense of the lawsuits with no liability in excess of insurance coverage.

(21) On-Behalf Payments of Salaries

During the year ended June 30, 2017, the State of Louisiana paid the City's policemen \$123,480 of supplemental pay, which is included in the accompanying financial statements as intergovernmental revenues and public safety – police expenses/expenditures in the government-wide and 1981 Sales Tax Special Revenue Fund financial statements.

(22) Interfund Transactions

A. Receivables and Payables

Interfund receivables and payables consisted of the following at June 30, 2017:

	<u>Receivable</u>	<u>Payable</u>
Major governmental funds:		
General Fund	\$ 1,302,435	\$ 600
1968 Sales Tax Special Revenue Fund	355,584	1,207,371
1981 Sales Tax Special Revenue Fund	197,528	369,942
1999 Sales Tax Special Revenue Fund	784,297	3,610
Recreational Facility Sales Tax Special Revenue	300,000	154,431
General Obligation Bonds Fund	-	55,584
Street Improvements and Construction Fund	154,144	421,392
Recreation Facility Construction Fund	<u>27,200</u>	<u>-</u>
Total governmental funds	<u>3,121,188</u>	<u>2,212,930</u>
Proprietary Funds:		
Enterprise Fund	-	617,720
Sports Complex Fund	<u>2,608</u>	<u>293,146</u>
Total proprietary funds	<u>2,608</u>	<u>910,866</u>
Total	<u>\$ 3,123,796</u>	<u>\$ 3,123,796</u>

These balances resulted from short-term loans made to other funds. All interfund balances will be repaid within one year.

CITY OF YOUNGSVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

B. Transfers

Transfers consisted of the following at June 30, 2017:

	<u>Transfers In</u>	<u>Transfers Out</u>
Major governmental funds:		
General Fund	\$ 744,786	\$ 1,097,816
1968 Sales Tax Special Revenue Fund	-	2,075,974
1981 Sales Tax Special Revenue Fund	760,000	-
1999 Sales Tax Special Revenue Fund	-	1,539,312
Recreational Facility Sales Tax Special Revenue	-	2,108,632
General Obligation Bonds Fund	2,955,714	-
Street Improvements and Construction Fund	95,953	-
Recreation Facility Construction Fund	-	178,015
Total governmental funds	<u>4,556,453</u>	<u>6,999,749</u>
Proprietary Funds:		
Enterprise Fund	1,448,644	-
Sports Complex Fund	994,652	-
Total proprietary funds	<u>2,443,296</u>	<u>-</u>
Total	<u>\$ 6,999,749</u>	<u>\$ 6,999,749</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.

(23) Tax Abatement

The City is subject to tax abatements granted by the Department of Economic Development. This program has the stated purpose of increasing business activity and employment in the Parish and the State. Under the program, companies commit to expand or maintain facilities or employment in the Parish, establish a new business in the Parish, or relocate an existing business to the Parish. Agreements include an abatement of ad valorem taxes for a period of 10 years from the initial assessment due. The City's ad valorem tax revenues were reduced by \$6,706 as a result of the tax abatements.

(24) Subsequent Events

On November 1, 2017, the City issued \$575,000 Excess Revenue Bonds, Series 2017 at an interest rate of 2.35%, maturing on May 1, 2028 for the purposes of paying costs of purchasing land for use by the City and advance refunding existing Water Revenue Bonds, Series 2009A.

On December 19, 2017, the City issued \$3,500,000 of Sales Tax Bonds, Series 2017 at an interest rate of \$2.273% maturing on May 1, 2032 for the purposes of constructing and improving public streets, roads, alley and sidewalks, including drainage facilities, and acquiring necessary equipment therefor.

**REQUIRED
SUPPLEMENTARY INFORMATION**

CITY OF YOUNGSVILLE, LOUISIANA
General Fund

Budgetary Comparison Schedule
For the Year Ended June 30, 2017

	Budget		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 2,597,050	\$ 2,754,460	\$ 2,884,775	\$ 130,315
Licenses and permits	743,500	1,015,830	1,092,140	76,310
Intergovernmental	11,000	373,185	671,240	298,055
Fines and forfeits	235,000	115,215	113,130	(2,085)
Miscellaneous	17,500	27,985	41,150	13,165
Total revenues	<u>3,604,050</u>	<u>4,286,675</u>	<u>4,802,435</u>	<u>515,760</u>
Expenditures:				
Current -				
General government	1,565,755	1,668,559	1,607,570	60,989
Public safety:				
Fire	1,020,065	436,195	429,296	6,899
Streets	686,825	1,356,774	1,378,941	(22,167)
Capital outlay	863,000	637,571	679,675	(42,104)
Debt service	25,932	25,907	44,276	(18,369)
Total expenditures	<u>4,161,577</u>	<u>4,125,006</u>	<u>4,139,758</u>	<u>(14,752)</u>
Excess (deficiency) of revenues over expenditures	<u>(557,527)</u>	<u>161,669</u>	<u>662,677</u>	<u>501,008</u>
Other financing sources (uses):				
Transfer from 1968 Sales Tax Fund	625,000	685,000	744,786	59,786
Transfer to 1981 Sales Tax Fund	(760,000)	(760,000)	(760,000)	-
Transfer to Sports Complex Fund	-	(90,805)	-	90,805
Transfer to Capital Projects Fund	-	(3,605)	(95,953)	(92,348)
Transfer to Debt Service Fund	(241,870)	(241,870)	(241,863)	7
Total other financing sources (uses)	<u>(376,870)</u>	<u>(411,280)</u>	<u>(353,030)</u>	<u>58,250</u>
Net change in fund balance	(934,397)	(249,611)	309,647	559,258
Fund balance, beginning	<u>2,923,325</u>	<u>2,923,325</u>	<u>2,923,325</u>	<u>-</u>
Fund balance, ending	<u>\$ 1,988,928</u>	<u>\$ 2,673,714</u>	<u>\$ 3,232,972</u>	<u>\$ 559,258</u>

CITY OF YOUNGSVILLE, LOUISIANA
1968 Sales Tax Special Revenue Fund

Budgetary Comparison Schedule
For the Year Ended June 30, 2017

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 2,000,000	\$ 2,171,253	\$ 2,227,480	\$ 56,227
Miscellaneous - interest	250	600	763	163
Total revenues	<u>2,000,250</u>	<u>2,171,853</u>	<u>2,228,243</u>	<u>56,390</u>
Expenditures:				
Current -				
General government:				
Sales tax collection fees	22,000	22,270	22,439	(169)
Professional fees	<u>7,000</u>	<u>5,725</u>	<u>5,410</u>	<u>315</u>
	<u>29,000</u>	<u>27,995</u>	<u>27,849</u>	<u>146</u>
Debt service				
Retirement of principal	<u>-</u>	<u>36,738</u>	<u>36,738</u>	<u>-</u>
Total expenditures	<u>29,000</u>	<u>64,733</u>	<u>64,587</u>	<u>146</u>
Excess of revenues over expenditures	<u>1,971,250</u>	<u>2,107,120</u>	<u>2,163,656</u>	<u>56,536</u>
Other financing uses:				
Transfer to Debt Service Fund	(1,314,045)	(1,329,988)	(1,331,188)	(1,200)
Transfer to General Fund	<u>(625,000)</u>	<u>(685,000)</u>	<u>(744,786)</u>	<u>(59,786)</u>
Total other financing uses	<u>(1,939,045)</u>	<u>(2,014,988)</u>	<u>(2,075,974)</u>	<u>(60,986)</u>
Net change in fund balance	32,205	92,132	87,682	(4,450)
Fund balance, beginning	<u>9,082</u>	<u>9,082</u>	<u>9,082</u>	<u>-</u>
Fund balance, ending	<u>\$ 41,287</u>	<u>\$ 101,214</u>	<u>\$ 96,764</u>	<u>\$ (4,450)</u>

CITY OF YOUNGSVILLE, LOUISIANA
1981 Sales Tax Special Revenue Fund

Budgetary Comparison Schedule
For the Year Ended June 30, 2017

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$1,000,000	\$ 1,065,755	\$ 1,113,740	\$ 47,985
State of Louisiana:				
On-behalf payments	138,000	128,105	123,480	(4,625)
LACE fines and forfeitures	250,000	592,700	610,644	17,944
Miscellaneous	5,000	26,365	28,410	2,045
Total revenues	<u>1,393,000</u>	<u>1,812,925</u>	<u>1,876,274</u>	<u>63,349</u>
Expenditures:				
Current -				
General government	28,000	23,840	17,610	6,230
Public safety:				
Police	2,135,391	2,457,483	2,449,515	7,968
Capital outlay	-	114,730	107,099	7,631
Debt service	-	6,425	22,960	(16,535)
Total expenditures	<u>2,163,391</u>	<u>2,602,478</u>	<u>2,597,184</u>	<u>5,294</u>
Deficiency of revenues over expenditures	<u>(770,391)</u>	<u>(789,553)</u>	<u>(720,910)</u>	<u>68,643</u>
Other financing sources:				
Proceeds from issuance of debt	-	29,975	29,973	(2)
Transfer from General Fund	760,000	760,000	760,000	-
Total other financing sources	<u>760,000</u>	<u>789,975</u>	<u>789,973</u>	<u>(2)</u>
Net change in fund balance	(10,391)	422	69,063	68,641
Fund balance, beginning	<u>74,950</u>	<u>74,950</u>	<u>74,950</u>	<u>-</u>
Fund balance, ending	<u>\$ 64,559</u>	<u>\$ 75,372</u>	<u>\$ 144,013</u>	<u>\$ 68,641</u>

CITY OF YOUNGSVILLE, LOUISIANA
1999 Sales Tax Special Revenue Fund

Budgetary Comparison Schedule
For the Year Ended June 30, 2017

	Budget		Actual	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues:				
Taxes	\$ 1,000,000	\$ 1,086,324	\$ 1,113,741	\$ 27,417
Miscellaneous - interest	175	1,940	1,933	(7)
Total revenues	<u>1,000,175</u>	<u>1,088,264</u>	<u>1,115,674</u>	<u>27,410</u>
Expenditures:				
Current -				
General government:				
Sales tax collection fees	12,000	11,335	11,220	115
Professional fees	4,000	3,350	3,430	(80)
	<u>16,000</u>	<u>14,685</u>	<u>14,650</u>	<u>35</u>
Debt service				
Principal	-	18,369	18,369	-
	<u>16,000</u>	<u>33,054</u>	<u>33,019</u>	<u>35</u>
Excess of revenues over expenditures	<u>984,175</u>	<u>1,055,210</u>	<u>1,082,655</u>	<u>27,445</u>
Other financing uses:				
Transfer to Debt Service Fund	(89,168)	(90,668)	(90,668)	-
Transfer to Utility Fund	(2,044,344)	(1,647,600)	(1,448,644)	198,956
Total other financing uses	<u>(2,133,512)</u>	<u>(1,738,268)</u>	<u>(1,539,312)</u>	<u>198,956</u>
Net change in fund balance	(1,149,337)	(683,058)	(456,657)	226,401
Fund balance, beginning	<u>2,429,937</u>	<u>2,429,937</u>	<u>2,429,937</u>	<u>-</u>
Fund balance, ending	<u>\$ 1,280,600</u>	<u>\$ 1,746,879</u>	<u>\$ 1,973,280</u>	<u>\$ 226,401</u>

CITY OF YOUNGSVILLE, LOUISIANA
Recreational Facilities Sales Tax Special Revenue Fund

Budgetary Comparison Schedule
For the Year Ended June 30, 2017

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$2,000,000	\$ 2,162,053	\$ 2,222,649	\$ 60,596
Miscellaneous - interest	250	1,440	1,951	511
Total revenues	<u>2,000,250</u>	<u>2,163,493</u>	<u>2,224,600</u>	<u>61,107</u>
Expenditures:				
Current -				
General government:				
Sales tax collection fees	22,000	22,285	22,264	21
Debt service -				
Retirement of principal	-	1,683	1,683	-
Total expenditures	<u>22,000</u>	<u>23,968</u>	<u>23,947</u>	<u>21</u>
Excess of revenues over expenditures	<u>1,978,250</u>	<u>2,139,525</u>	<u>2,200,653</u>	<u>61,128</u>
Other financing uses:				
Transfer to Sports Complex Fund	(850,000)	(812,275)	(816,637)	(4,362)
Transfer to Debt Service Fund	<u>(1,291,995)</u>	<u>(1,293,495)</u>	<u>(1,291,995)</u>	<u>1,500</u>
Total other financing uses	<u>(2,141,995)</u>	<u>(2,105,770)</u>	<u>(2,108,632)</u>	<u>(2,862)</u>
Net change in fund balance	(163,745)	33,755	92,021	58,266
Fund balance, beginning	<u>320,527</u>	<u>320,527</u>	<u>320,527</u>	<u>-</u>
Fund balance, ending	<u>\$ 156,782</u>	<u>\$ 354,282</u>	<u>\$ 412,548</u>	<u>\$ 58,266</u>

CITY OF YOUNGSVILLE, LOUISIANA

Municipal Police Employees' Retirement System
 Schedule of Employer's Share of Net Pension Liability
 For the Year Ended June 30, 2017*

<u>Year Ended June 30,</u>	<u>Employer Proportion of the Net Pension Liability (Asset)</u>	<u>Employer Proportionate Share of the Net Pension Liability (Asset)</u>	<u>Employer's Covered Employee Payroll</u>	<u>Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Employee Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</u>
2017	0.167798%	\$ 1,572,740	\$ 470,515	334.3%	66.04%
2016	0.081512%	638,651	216,095	295.5%	70.73%
2015	0.044360%	277,519	114,975	241.4%	75.10%

* The amounts presented have a measurement date of the previous fiscal year end.

This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

CITY OF YOUNGSVILLE, LOUISIANA

Municipal Police Employees' Retirement System
 Schedule of Employer Contributions
 For the Year Ended June 30, 2017

<u>Year Ended June 30,</u>	<u>Contractually Required Contribution</u>	<u>Contributions in Relation to Contractual Required Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Employer's Covered Employee Payroll</u>	<u>Contributions as a % of Covered Employee Payroll</u>
2017	\$ 160,849	\$ 160,849	\$ -	\$ 506,611	31.75%
2016	138,802	138,802	-	470,515	29.50%
2015	68,070	68,070	-	216,095	31.50%

This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

CITY OF YOUNGSVILLE, LOUISIANA

Notes to the Required Supplementary Information

(1) Budget and Budgetary Accounting

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

1. Prior to June 15, the City Clerk submits to the Mayor and City Council a proposed operating budget for the fiscal year commencing the following July 1.
2. A summary of the proposed budget is published and the public notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
3. A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing.
4. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted through passage of a resolution prior to the commencement of the fiscal year for which the budget is being adopted.
5. Budgetary amendments involving the transfer of funds from one department, program or function to another or involving increases in expenditures resulting from revenues exceeding amounts estimated require the approval of the City Council.
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 City Council. Such amendments were not material in relation to the original appropriations.

(2) Pension Plan

Changes of Assumptions – Changes of assumptions about future economic or demographic factors or of other inputs were recognized in pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan. There were no changes of benefit terms for the year ended June 30, 2017.

CITY OF YOUNGSVILLE, LOUISIANA

Notes to the Required Supplementary Information (Continued)

(3) Excess of Expenditures Over Appropriations

For the year ended June 30, 2017, the following funds had actual expenditures over appropriations, at the functional level, as follows:

Fund and Function	Budget	Actual	Excess
General Fund:			
Streets	\$1,356,774	\$1,378,941	\$(22,167)
Capital outlay	637,571	679,675	(42,104)
Debt service	25,907	44,276	(18,369)
1981 Sales Tax Special Revenue Fund:			
Debt service	6,425	22,960	(16,535)

OTHER SUPPLEMENTARY INFORMATION

CITY OF YOUNGSVILLE, LOUISIANA

Statement of Net Position

June 30, 2017

With Comparative Totals for June 30, 2016

	2017			2016 Total
	Governmental Activities	Business-Type Activities	Total	
ASSETS				
Current assets:				
Cash and interest-bearing deposits	\$ 4,045,873	\$ 394,217	\$ 4,440,090	\$ 4,970,459
Receivables, net	725,758	696,558	1,422,316	1,053,265
Internal balances	908,258	(908,258)	-	-
Due from other governmental units	399,163	92,013	491,176	394,826
Inventory	-	5,790	5,790	5,790
Prepaid items	117,596	136,661	254,257	287,789
Total current assets	<u>6,196,648</u>	<u>416,981</u>	<u>6,613,629</u>	<u>6,712,129</u>
Noncurrent assets:				
Restricted assets:				
Cash and interest-bearing deposits	3,622,856	1,747,172	5,370,028	6,739,020
Investments	345,711	-	345,711	342,944
Capital assets:				
Land and construction in progress	1,453,634	4,424,300	5,877,934	11,025,578
Capital assets, net	<u>40,456,528</u>	<u>42,395,468</u>	<u>82,851,996</u>	<u>75,832,319</u>
Total noncurrent assets	<u>45,878,729</u>	<u>48,566,940</u>	<u>94,445,669</u>	<u>93,939,861</u>
Total assets	<u>52,075,377</u>	<u>48,983,921</u>	<u>101,059,298</u>	<u>100,651,990</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred loss on bond refunding	258,088	-	258,088	-
Deferred outflows related to pensions	<u>1,109,384</u>	<u>-</u>	<u>1,109,384</u>	<u>418,861</u>
Total deferred outflows	<u>1,367,472</u>	<u>-</u>	<u>1,367,472</u>	<u>418,861</u>
LIABILITIES				
Current liabilities:				
Accounts, salaries and other payables	634,257	444,344	1,078,601	1,668,805
Unearned revenue	-	24,112	24,112	27,750
Capital lease payable	9,532	-	9,532	25,704
Note payable	93,529	-	93,529	93,529
Bonds payable	1,835,000	288,000	2,123,000	2,037,000
Accrued interest	<u>239,255</u>	<u>7,262</u>	<u>246,517</u>	<u>265,602</u>
Total current liabilities	<u>2,811,573</u>	<u>763,718</u>	<u>3,575,291</u>	<u>4,118,390</u>
Noncurrent liabilities:				
Customers' deposits	-	375,785	375,785	372,137
Net pension liability	1,572,740	-	1,572,740	638,561
Capital lease payable	16,487	-	16,487	-
Note payable	685,879	-	685,879	779,407
Bonds payable	<u>29,927,600</u>	<u>3,272,000</u>	<u>33,199,600</u>	<u>34,982,513</u>
Total noncurrent liabilities	<u>32,202,706</u>	<u>3,647,785</u>	<u>35,850,491</u>	<u>36,772,618</u>
Total liabilities	<u>35,014,279</u>	<u>4,411,503</u>	<u>39,425,782</u>	<u>40,891,008</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to pensions	<u>25,113</u>	<u>-</u>	<u>25,113</u>	<u>24,874</u>
NET POSITION				
Net investment in capital assets	11,228,575	43,459,724	54,688,299	51,709,704
Restricted for sales tax dedications	2,562,960	-	2,562,960	2,767,819
Restricted for debt service	2,823,230	193,333	3,016,563	2,907,912
Restricted for water fund operations	-	852,006	852,006	810,645
Unrestricted	<u>1,788,692</u>	<u>67,355</u>	<u>1,856,047</u>	<u>1,958,889</u>
Total net position	<u>\$ 18,403,457</u>	<u>\$ 44,572,418</u>	<u>\$ 62,975,875</u>	<u>\$ 60,154,969</u>

CITY OF YOUNGSVILLE, LOUISIANA

Balance Sheet
 General and Special Revenue Funds
 June 30, 2017
 With Comparative Totals for June 30, 2016

	General		1968 Sales Tax Revenue		1981 Sales Tax Revenue		1999 Sales Tax Revenue		Recreational Facility Sales Tax Revenue	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
ASSETS										
Cash and interest-bearing deposits	\$ 2,003,525	\$ 2,128,535	\$ 438,192	\$ 390,039	\$ 352,139	\$ 274,678	\$ 1,192,593	\$ 1,707,191	\$ 59,424	\$ 12,391
Receivables:										
Taxes	947	-	511,559	399,213	-	-	-	-	207,555	162,567
Accrued interest	-	-	-	-	-	-	-	-	-	-
Due from other governmental units	399,163	45,478	-	-	-	-	-	-	-	-
Due from other funds	1,302,435	1,101,037	355,584	442,863	197,528	254,802	784,297	761,828	300,000	300,000
Other	5,697	2,892	-	-	-	-	-	-	-	-
Prepaid items	53,951	70,501	-	-	63,645	66,677	-	-	-	-
Total assets	<u>\$ 3,765,718</u>	<u>\$ 3,348,443</u>	<u>\$ 1,305,335</u>	<u>\$ 1,232,115</u>	<u>\$ 613,312</u>	<u>\$ 596,157</u>	<u>\$ 1,976,890</u>	<u>\$ 2,469,019</u>	<u>\$ 566,979</u>	<u>\$ 474,958</u>
LIABILITIES AND FUND BALANCES										
Liabilities:										
Accounts payable	\$ 447,145	\$ 280,916	\$ 1,200	\$ 1,200	\$ 43,309	\$ 36,005	\$ -	\$ -	\$ -	\$ -
Accrued liabilities	85,001	56,923	-	-	56,048	58,077	-	-	-	-
Due to other funds	600	87,279	1,207,371	1,221,833	369,942	427,125	3,610	39,082	154,431	154,431
Total liabilities	<u>532,746</u>	<u>425,118</u>	<u>1,208,571</u>	<u>1,223,033</u>	<u>469,299</u>	<u>521,207</u>	<u>3,610</u>	<u>39,082</u>	<u>154,431</u>	<u>154,431</u>
Fund balances -										
Nonspendable (prepaid items)	53,951	70,501	-	-	63,645	66,677	-	-	-	-
Restricted for sales tax dedications	-	-	96,764	9,082	80,368	8,273	1,973,280	2,429,937	412,548	320,527
Unassigned	3,179,021	2,852,824	-	-	-	-	-	-	-	-
Total fund balances	<u>3,232,972</u>	<u>2,923,325</u>	<u>96,764</u>	<u>9,082</u>	<u>144,013</u>	<u>74,950</u>	<u>1,973,280</u>	<u>2,429,937</u>	<u>412,548</u>	<u>320,527</u>
Total liabilities and fund balances	<u>\$ 3,765,718</u>	<u>\$ 3,348,443</u>	<u>\$ 1,305,335</u>	<u>\$ 1,232,115</u>	<u>\$ 613,312</u>	<u>\$ 596,157</u>	<u>\$ 1,976,890</u>	<u>\$ 2,469,019</u>	<u>\$ 566,979</u>	<u>\$ 474,958</u>

CITY OF YOUNGSVILLE, LOUISIANA
General Fund

Budgetary Comparison Schedule
For the Year Ended June 30, 2017
With Comparative Amounts for the Year Ended June 30, 2016

	Budget		Actual	Variance with Final Budget	2016 Actual
	Original	Final		Positive (Negative)	
Revenues:					
Taxes	\$ 2,597,050	\$ 2,754,460	\$ 2,884,775	\$ 130,315	\$ 2,509,043
Licenses and permits	743,500	1,015,830	1,092,140	76,310	810,735
Intergovernmental	11,000	373,185	671,240	298,055	21,582
Fines and forfeits	235,000	115,215	113,130	(2,085)	120,613
Miscellaneous	17,500	27,985	41,150	13,165	18,695
Total revenues	<u>3,604,050</u>	<u>4,286,675</u>	<u>4,802,435</u>	<u>515,760</u>	<u>3,480,668</u>
Expenditures:					
Current -					
General government	1,565,755	1,668,559	1,607,570	60,989	1,675,256
Public safety:					
Fire	1,020,065	436,195	429,296	6,899	703,136
Streets	686,825	1,356,774	1,378,941	(22,167)	698,460
Capital outlay	863,000	637,571	679,675	(42,104)	77,279
Debt service	25,932	25,907	44,276	(18,369)	51,107
Total expenditures	<u>4,161,577</u>	<u>4,125,006</u>	<u>4,139,758</u>	<u>(14,752)</u>	<u>3,205,238</u>
Excess (deficiency) of revenues over expenditures	<u>(557,527)</u>	<u>161,669</u>	<u>662,677</u>	<u>501,008</u>	<u>275,430</u>
Other financing sources (uses):					
Transfer from 1968 Sales Tax Fund	625,000	685,000	744,786	59,786	686,000
Transfer to 1981 Sales Tax Fund	(760,000)	(760,000)	(760,000)	-	(250,700)
Transfer to Sports Complex Fund	-	(90,805)	-	90,805	(696,804)
Transfer to Capital Projects Fund	-	(3,605)	(95,953)	(92,348)	(185,154)
Transfer to Debt Service Fund	(241,870)	(241,870)	(241,863)	7	(241,462)
Total other financing sources (uses)	<u>(376,870)</u>	<u>(411,280)</u>	<u>(353,030)</u>	<u>58,250</u>	<u>(688,120)</u>
Net change in fund balance	(934,397)	(249,611)	309,647	559,258	(412,690)
Fund balance, beginning	<u>2,923,325</u>	<u>2,923,325</u>	<u>2,923,325</u>	<u>-</u>	<u>3,336,015</u>
Fund balance, ending	<u>\$ 1,988,928</u>	<u>\$ 2,673,714</u>	<u>\$ 3,232,972</u>	<u>\$ 559,258</u>	<u>\$ 2,923,325</u>

CITY OF YOUNGSVILLE, LOUISIANA
General Fund

Budgetary Comparison Schedule - Revenues
For the Year Ended June 30, 2017
With Comparative Amounts for the Year Ended June 30, 2016

	2017			Variance with Final Budget Positive (Negative)	2016 Actual
	Budget		Actual		
	Original	Final			
Taxes:					
Ad valorem taxes	\$ 1,040,050	\$ 1,095,115	\$ 1,173,117	\$ 78,002	\$ 947,084
Rededication from 1981 Sales Tax	1,000,000	1,065,755	1,113,740	47,985	1,007,501
Hotel motel sales tax	-	4,230	5,162	932	-
Franchise - electric	437,000	472,730	476,122	3,392	436,537
Franchise - gas	40,000	44,105	44,108	3	38,222
Franchise - cable	80,000	72,525	72,526	1	79,699
Total taxes	<u>2,597,050</u>	<u>2,754,460</u>	<u>2,884,775</u>	<u>130,315</u>	<u>2,509,043</u>
Licenses and permits:					
Occupational licenses	18,500	16,460	15,910	(550)	18,365
Insurance occupational licenses	275,000	284,205	283,226	(979)	265,167
Codes and permits	450,000	715,165	793,004	77,839	527,203
Total licenses and permits	<u>743,500</u>	<u>1,015,830</u>	<u>1,092,140</u>	<u>76,310</u>	<u>810,735</u>
Intergovernmental:					
Federal Grant -					
FEMA	-	348,335	538,692	190,357	3,897
Department of Transportation	-	-	117,543	117,543	-
State of Louisiana -					
Beer taxes	11,000	14,550	15,005	455	15,141
State grants	-	10,300	-	(10,300)	2,544
Total intergovernmental	<u>11,000</u>	<u>373,185</u>	<u>671,240</u>	<u>298,055</u>	<u>21,582</u>
Fines and forfeits:					
Fines and court costs	235,000	115,215	113,130	(2,085)	120,613
Miscellaneous:					
Interest	-	-	1,426	1,426	1,356
Donations	-	-	-	-	2,100
Other sources	17,500	27,985	39,724	11,739	15,239
Total miscellaneous	<u>17,500</u>	<u>27,985</u>	<u>41,150</u>	<u>13,165</u>	<u>18,695</u>
Total revenues	<u>\$ 3,604,050</u>	<u>\$ 4,286,675</u>	<u>\$ 4,802,435</u>	<u>\$ 515,760</u>	<u>\$ 3,480,668</u>

CITY OF YOUNGSVILLE, LOUISIANA
General Fund

Budgetary Comparison Schedule - Expenditures
For the Year Ended June 30, 2017
With Comparative Amounts for the Year Ended June 30, 2016

	2017			Variance with Final Budget Positive (Negative)	2016 Actual
	Budget		Actual		
	Original	Final			
General government:					
Administrative -					
Compensation - mayor and council	\$ 124,420	\$ 124,420	\$ 125,476	\$ (1,056)	\$ 124,420
Other salaries	163,680	182,515	227,617	(45,102)	194,874
Payroll taxes and retirement	32,375	36,355	44,229	(7,874)	40,630
Group insurance	37,000	41,410	30,521	10,889	37,804
Utilities and telephone	27,800	30,625	30,961	(336)	26,677
Mayor's expense	11,220	11,220	11,220	-	13,200
Auto allowance	4,200	4,190	4,439	(249)	-
Advertising	28,000	27,895	29,704	(1,809)	30,527
Repairs and maintenance	40,480	31,130	30,857	273	36,198
Dues and publications	7,500	8,160	8,316	(156)	8,120
Professional fees	135,000	145,000	136,487	8,513	74,693
General insurance	65,000	60,000	64,037	(4,037)	48,066
Office supplies	40,000	33,080	28,383	4,697	43,336
Computer expense	10,000	13,290	84,405	(71,115)	7,181
Convention expense	7,500	3,375	5,188	(1,813)	6,962
Community relations	25,000	35,000	45,126	(10,126)	25,521
Uniform expense	2,000	1,745	1,744	1	1,563
Engineering	250,000	250,000	232,274	17,726	333,551
Contract services	80,000	134,490	12,536	121,954	157,684
Annexation	25,000	33,375	26,971	6,404	19,328
Mardi Gras expense	12,000	14,200	11,863	2,337	11,246
Collection expense	-	11,135	11,220	(85)	11,611
Miscellaneous	14,800	15,622	17,677	(2,055)	7,540
Total administrative	<u>1,142,975</u>	<u>1,248,232</u>	<u>1,221,251</u>	<u>26,981</u>	<u>1,260,732</u>
Code enforcement -					
Salaries and related expenses	20,800	21,501	22,413	(912)	5,498
Auto expense	2,000	710	650	60	1,006
Convention expense	-	-	824	(824)	-
Telephone	600	600	100	500	-
Inspection fees	325,000	331,040	300,147	30,893	338,171
Total code enforcement	<u>348,400</u>	<u>353,851</u>	<u>324,134</u>	<u>29,717</u>	<u>344,675</u>
Magistrate court -					
Professional fees and other salaries	23,500	28,235	26,416	1,819	22,535
Payroll taxes and retirement	680	861	529	332	481
Court costs	50,200	37,380	33,794	3,586	46,833
Dues and subscriptions	-	-	1,446	(1,446)	-
Total magistrate court	<u>74,380</u>	<u>66,476</u>	<u>62,185</u>	<u>4,291</u>	<u>69,849</u>
Total general government	<u>1,565,755</u>	<u>1,668,559</u>	<u>1,607,570</u>	<u>60,989</u>	<u>1,675,256</u>

(continued)

CITY OF YOUNGSVILLE, LOUISIANA
General Fund

Budgetary Comparison Schedule - Expenditures (Continued)
For the Year Ended June 30, 2017
With Comparative Amounts for the Year Ended June 30, 2016

	2017			Variance with Final Budget Positive (Negative)	2016 Actual
	Budget		Actual		
	Original	Final			
Public safety:					
Fire -					
Appropriation to volunteer fire department:					
Operations	1,020,065	421,334	429,296	(7,962)	690,263
Capital	-	14,861	-	14,861	12,873
Total fire	<u>1,020,065</u>	<u>436,195</u>	<u>429,296</u>	<u>6,899</u>	<u>703,136</u>
Streets and drainage:					
Salaries	187,030	221,115	240,351	(19,236)	184,585
Payroll taxes and retirement	24,375	27,699	29,852	(2,153)	23,341
Group insurance	28,500	35,300	37,558	(2,258)	28,133
General insurance	25,000	25,000	26,399	(1,399)	18,487
Contract labor	61,920	70,345	83,207	(12,862)	49,022
Telephone and utilities	15,000	23,775	6,437	17,338	8,658
Supplies, materials and repairs	150,000	255,960	218,974	36,986	171,539
Office supplies	2,000	3,540	4,278	(738)	1,689
Auto and truck expense	25,000	44,940	45,333	(393)	33,669
Street lighting	115,000	108,035	109,812	(1,777)	113,003
Engineering fees	50,000	169,725	187,009	(17,284)	61,288
Professional fees	-	-	18,130	(18,130)	1,974
Uniforms	2,500	1,225	1,467	(242)	2,823
Disaster cleanup	-	369,430	369,430	-	-
Miscellaneous	500	685	704	(19)	249
Total streets and drainage	<u>686,825</u>	<u>1,356,774</u>	<u>1,378,941</u>	<u>(22,167)</u>	<u>698,460</u>
Capital outlay:					
General government -					
City hall equipment	23,000	15,615	32,662	(17,047)	6,409
Highways and streets -					
Street improvements and drainage	840,000	621,956	647,013	(25,057)	70,870
Total capital outlay	<u>863,000</u>	<u>637,571</u>	<u>679,675</u>	<u>(42,104)</u>	<u>77,279</u>
Debt service:					
Retirement of principal	25,705	25,680	44,073	(18,393)	50,021
Interest and fiscal charges	227	227	203	24	1,086
Total debt service	<u>25,932</u>	<u>25,907</u>	<u>44,276</u>	<u>(18,369)</u>	<u>51,107</u>
Total expenditures	<u>\$ 4,161,577</u>	<u>\$ 4,125,006</u>	<u>\$ 4,139,758</u>	<u>\$(13,306)</u>	<u>\$ 3,205,238</u>

CITY OF YOUNGSVILLE, LOUISIANA

1981 Sales Tax Special Revenue Fund

Budgetary Comparison Schedule - Expenditures

For the Year Ended June 30, 2017

With Comparative Amounts for the Year Ended June 30, 2016

	2017			Variance with Final Budget Positive (Negative)	2016 Actual
	Budget		Actual		
	Original	Final			
General government-					
Sales tax collection fees	\$ 22,000	\$ 11,135	\$ 11,220	\$ (85)	\$ 11,611
Professional fees	6,000	12,705	6,390	6,315	6,550
Total general government	<u>28,000</u>	<u>23,840</u>	<u>17,610</u>	<u>6,230</u>	<u>18,161</u>
Public safety-					
Police -					
Salaries	1,036,931	1,108,720	1,086,048	22,672	1,044,576
On-behalf payments - salaries	138,000	128,105	123,480	4,625	128,308
Civil service salaries	4,535	4,750	4,582	168	7,000
Payroll taxes and retirement	275,000	290,000	279,607	10,393	264,270
Group insurance	165,000	160,080	158,805	1,275	154,538
Repairs and maintenance	20,000	18,315	15,227	3,088	19,917
Office supplies and expense	13,000	16,335	22,485	(6,150)	31,423
Dues and subscriptions	3,500	3,530	2,996	534	3,185
Telephone and utilities	45,000	37,069	41,447	(4,378)	39,002
Insurance	85,000	82,500	93,187	(10,687)	61,620
Auto expense	100,000	157,714	165,543	(7,829)	110,913
Uniforms and supplies	10,000	22,295	29,554	(7,259)	24,746
Contract labor	108,925	147,290	130,109	17,181	150,844
Court expense	90,000	213,500	221,426	(7,926)	202,873
Training	13,500	13,730	16,700	(2,970)	3,638
Professional fees	6,000	42,725	43,554	(829)	2,994
Radio rent	14,000	5,075	10,319	(5,244)	20,872
Miscellaneous	7,000	5,750	4,446	1,304	6,866
Total public safety	<u>2,135,391</u>	<u>2,457,483</u>	<u>2,449,515</u>	<u>7,968</u>	<u>2,277,585</u>
Capital outlay-					
Police autos	-	90,690	90,689	1	64,981
Police equipment	-	24,040	16,410	7,630	64,207
Total capital outlay	<u>-</u>	<u>114,730</u>	<u>107,099</u>	<u>7,631</u>	<u>129,188</u>
Debt service -					
Retirement of principal	-	6,425	22,323	(15,898)	12,246
Interest expense	-	-	637	(637)	-
Total debt service	<u>-</u>	<u>6,425</u>	<u>22,960</u>	<u>(16,535)</u>	<u>12,246</u>
Total expenditures	<u>\$ 2,163,391</u>	<u>\$ 2,602,478</u>	<u>\$ 2,596,547</u>	<u>\$ 21,829</u>	<u>\$ 2,437,180</u>

CITY OF YOUNGSVILLE, LOUISIANA
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, 2017
With Comparative Amounts for the Year Ended June 30, 2016

	2017		Variance with Final Budget Positive (Negative)	2016 Actual
	Budget	Actual		
Revenues (interest)	\$ 4,405	\$ 4,843	\$ 438	\$ 6,010
Expenditures:				
Debt service -				
Retirement of principal	1,813,000	1,813,000	-	1,701,000
Interest and fiscal charges	1,043,852	1,024,373	19,479	1,162,199
Transfer to escrow agent	46,752	46,752	-	-
Bond issuance costs	56,134	56,134	-	-
Total expenditures	<u>2,959,738</u>	<u>2,940,259</u>	<u>19,479</u>	<u>2,863,199</u>
Deficiency of revenues over expenditures	<u>(2,955,333)</u>	<u>(2,935,416)</u>	<u>19,917</u>	<u>(2,857,189)</u>
Other financing sources (uses):				
Bond proceeds	3,565,000	3,565,000	-	1,320,075
Transfer to escrow agent	(3,160,000)	(3,500,380)	(340,380)	-
Transfers from 1968 Sales Tax Fund	1,329,988	1,331,188	1,200	-
Transfers from 1999 Sales Tax Fund	90,668	90,668	-	88,766
Transfers from Recreational Sales Tax Fund	1,293,495	1,291,995	(1,500)	1,289,300
Transfer from General Fund	241,870	241,863	(7)	241,462
Total other financing sources	<u>3,361,021</u>	<u>3,020,334</u>	<u>(340,687)</u>	<u>2,939,603</u>
Net change in fund balance	405,688	84,918	(320,770)	82,414
Fund balance, beginning	<u>2,977,567</u>	<u>2,977,567</u>	<u>-</u>	<u>2,895,153</u>
Fund balance, ending	<u>\$ 3,383,255</u>	<u>\$ 3,062,485</u>	<u>\$ (320,770)</u>	<u>\$ 2,977,567</u>

CITY OF YOUNGSVILLE, LOUISIANA
Capital Projects Fund
Street Improvements and Construction Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget (GAAP Basis) and Actual
For the Year Ended June 30, 2017
With Comparative Amounts for the Year Ended June 30, 2016

	2017		Variance with Final Budget Positive (Negative)	2016 Actual
	Budget	Actual		
Revenues:				
Miscellaneous -				
Interest	\$ 3,935	\$ 3,994	\$ 59	\$ 6,047
Other sources	-	-	-	25,460
Total revenues	<u>3,935</u>	<u>3,994</u>	<u>59</u>	<u>31,507</u>
Expenditures:				
Current -				
General government:				
Professional fees	<u>55,000</u>	<u>59,016</u>	<u>(4,016)</u>	<u>62,885</u>
Capital outlay - streets -				
Chemin Metairie Parkway Phase II and III	3,325	3,325	-	107,337
Chemin Metairie Roundabout reconstruction	-	-	-	6,327
Street overlay	-	-	-	617,698
Miscellaneous street projects	<u>979,125</u>	<u>942,135</u>	<u>36,990</u>	<u>56,068</u>
Total capital outlay	<u>982,450</u>	<u>945,460</u>	<u>36,990</u>	<u>787,430</u>
Total expenditures	<u>1,037,450</u>	<u>1,004,476</u>	<u>32,974</u>	<u>850,315</u>
Deficiency of revenues over expenditures	<u>(1,033,515)</u>	<u>(1,000,482)</u>	<u>33,033</u>	<u>(818,808)</u>
Other financing sources (uses):				
Transfer from General Fund	94,410	95,953	1,543	185,154
Transfer to Utility Fund	-	-	-	(603,159)
Total other financing sources (uses)	<u>94,410</u>	<u>95,953</u>	<u>1,543</u>	<u>(418,005)</u>
Net change in fund balance	(939,105)	(904,529)	34,576	(1,236,813)
Fund balance, beginning	<u>1,350,373</u>	<u>1,350,373</u>	-	<u>2,587,186</u>
Fund balance, ending	<u>\$ 411,268</u>	<u>\$ 445,844</u>	<u>\$ 34,576</u>	<u>\$ 1,350,373</u>

CITY OF YOUNGSVILLE, LOUISIANA
 Capital Projects Fund
 Recreational Facility Construction Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance -
 Budget (GAAP Basis) and Actual
 For the Year Ended June 30, 2017
 With Comparative Amounts for the Year Ended June 30, 2016

	2017		Variance with Final Budget Positive (Negative)	2016 Actual
	Budget	Actual		
Revenues:				
Intergovernmental -				
State of Louisiana:				
Department of Treasury	\$ -	\$ -	\$ -	\$ 708,390
Miscellaneous -				
Interest	-	-	-	600
Total revenues	-	-	-	708,990
Expenditures	-	-	-	-
Excess of revenues over expenditures	-	-	-	708,990
Other financing uses:				
Transfer to General Fund	(90,805)	-	90,805	-
Transfer to Sports Complex Fund	(250,262)	(178,015)	72,247	(661,740)
Total other financing uses	(341,067)	(178,015)	163,052	(661,740)
Net change in fund balance	(341,067)	(178,015)	163,052	47,250
Fund balance, beginning	341,067	341,067	-	293,817
Fund balance, ending	\$ -	\$ 163,052	\$ 163,052	\$ 341,067

CITY OF YOUNGSVILLE, LOUISIANA
Enterprise Fund
Utility Fund

Schedule of Number of Utility Customers
(Unaudited)
June 30, 2017 and 2016

Records maintained by the City indicated the following number of customers were being served during the months of June 30, 2017 and 2016:

<u>Department</u>	<u>2017</u>	<u>2016</u>
Water (metered)	5,091	4,805
Sewerage	4,056	3,797
Garbage	4,826	4,743

CITY OF YOUNGSVILLE, LOUISIANA

Schedule of Insurance in Force
(Unaudited)
June 30, 2017

Description of Coverage	Policy Expiration Date	Coverage Amounts
Workmen's compensation:		
Employer's liability	01/01/18	\$ 1,000,000
Surety bonds:		
Position Bond	06/27/18	847,993
Automobile liability	05/01/18	1,000,000
Automobile comprehensive and collision coverage	05/01/18	500,000
Buildings, contents and machinery:		
Property coverage / wind and hail damage	05/12/18	2,968,150
Law enforcement officer's liability	05/01/18	500,000
Public official's errors and omissions	05/01/18	500,000
General liability	05/01/18	1,000,000
Equipment	05/01/18	500,000
Sports complex:		
Property coverage	05/12/18	15,342,693
General liability (occurrence / aggregate)	05/12/18	6,050,000
Excess liability	05/12/18	1,000,000
Automobile liability	05/12/18	1,000,000

CITY OF YOUNGSVILLE, LOUISIANA

Combined Schedule of Interest-Bearing Deposits
June 30, 2017

	<u>Term</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Amount</u>
General Fund:				
Whitney Bank - Interest-bearing deposits	N/A	N/A	various	<u>\$ 735,249</u>
Sales Tax Funds:				
Iberia Bank - Interest-bearing deposits	N/A	N/A	various	59,424
Whitney Bank - Interest-bearing deposits				<u>1,393,130</u>
Total Sales Tax Funds				<u>1,452,554</u>
Street Improvements and Construction Capital Projects Fund:				
Gulf Coast Bank - Interest-bearing deposits	N/A	N/A	various	<u>714,646</u>
Recreation Facility Construction Capital Projects Fund:				
Iberia Bank - Interest-bearing deposits	N/A	N/A	various	<u>135,852</u>
Debt Service Fund:				
Iberia Bank - Interest-bearing deposits	N/A	N/A	various	<u>2,772,358</u>
Utility Fund:				
Whitney Bank - Interest-bearing deposits	N/A	N/A	various	214,515
Certificate of deposit	365 days	05/10/18	0.10%	17,078
Certificate of deposit	180 days	11/16/17	0.05%	20,148
Certificate of deposit	365 days	07/06/18	0.10%	27,348
Certificate of deposit	365 days	05/10/18	0.10%	8,864
Certificate of deposit	60 days	08/12/17	0.02%	7,051
Certificate of deposit	365 days	07/06/18	0.10%	9,160
Certificate of deposit	365 days	04/07/18	0.10%	34,425
Community First Bank - Certificate of deposit	365 days	01/21/18	0.15%	10,936
Certificate of deposit	365 days	11/24/17	0.15%	10,874
Certificate of deposit	365 days	01/21/18	0.15%	10,854
Certificate of deposit	365 days	01/21/18	0.10%	10,769
Farmers State Bank - Certificate of deposit	365 days	10/20/18	0.36%	<u>120,951</u>
Total Utility Fund				<u>502,973</u>
Total all funds				<u>\$ 6,313,632</u>

CITY OF YOUNGSVILLE, LOUISIANA
Enterprise Fund
Utility Fund

Statement of Net Position
June 30, 2017

With Comparative Amounts for the Year Ended June 30, 2016

	2017	2016
ASSETS		
Current assets:		
Cash	\$ 377,144	\$ 376,812
Receivables:		
Accounts receivable (net)	498,891	437,390
Accrued interest receivable	349	369
Due from other funds	-	38,902
Due from other governmental units	92,013	196,365
Other receivables	711	1,330
Prepaid items	47,905	47,780
Total current assets	1,017,013	1,098,948
Noncurrent assets:		
Restricted assets -		
Cash	1,244,199	1,203,729
Interest-bearing deposits, at cost	502,973	501,995
Capital assets:		
Land and construction in progress	953,300	3,682,222
Other capital assets, net of accumulated depreciation	21,550,098	16,472,948
Total noncurrent assets	24,250,570	21,860,894
Total assets	25,267,583	22,959,842
LIABILITIES		
Current liabilities:		
Accounts payable	154,232	190,771
Contracts payable	78,652	111,543
Retainage payable	132,191	265,614
Other liabilities	17,923	13,758
Due to other funds	617,720	501,704
Payable from restricted assets -		
Revenue bonds	288,000	294,000
Accrued interest	7,262	8,094
Total current liabilities	1,295,980	1,385,484
Noncurrent liabilities:		
Customers' deposits	375,785	372,137
Revenue bonds payable	3,272,000	3,560,000
Total noncurrent liabilities	3,647,785	3,932,137
Total liabilities	4,943,765	5,317,621
NET POSITION		
Net investment in capital assets	19,143,354	16,447,373
Restricted for debt service	193,333	187,539
Restricted for water department operations	852,006	810,645
Unrestricted	135,125	196,664
Total net position	\$ 20,323,818	\$ 17,642,221

CITY OF YOUNGSVILLE, LOUISIANA

Enterprise Fund

Utility Fund

Departmental Statement of Revenues and Expenses

For the Year Ended June 30, 2017

With Comparative Amounts for the Year Ended June 30, 2016

	Totals	
	2017	2016
Operating revenues:		
Customer service charges	\$ 3,702,642	\$ 3,439,016
Miscellaneous	545,978	546,356
Total operating revenues	<u>4,248,620</u>	<u>3,985,372</u>
Operating expenses:		
Salaries	419,812	363,461
Payroll taxes and retirement	39,570	45,151
Group insurance	37,197	44,182
Sewer tests	20,743	29,453
Water purchases	752,138	616,874
Maintenance and repairs	366,229	567,585
Contract labor/ maintenance fees	125,097	113,320
Utilities and telephone	122,459	110,003
Professional fees	46,979	35,767
Engineering fees	160,380	358,520
General insurance	70,531	68,255
Office expense	21,940	1,248
Supplies and parts	74,899	90,727
Garbage collection fees	855,302	811,274
Depreciation	718,770	690,000
Miscellaneous	66,578	48,376
Total operating expenses	<u>3,898,624</u>	<u>3,994,196</u>
Operating income (loss)	<u>349,996</u>	<u>(8,824)</u>
Nonoperating revenues (expenses):		
Ad valorem taxes	412,118	333,363
Interest income	941	1,096
Interest expense	(48,405)	(53,387)
Total nonoperating revenues (expenses)	<u>364,654</u>	<u>281,072</u>
Income before contributions and operating transfers	<u>714,650</u>	<u>272,248</u>
Capital contributions	<u>518,303</u>	<u>215,665</u>
Transfers in (out):		
Transfers in	1,448,644	1,121,948
Transfers out	-	(679,356)
Total transfers in (out)	<u>1,448,644</u>	<u>442,592</u>
Change in net position	2,681,597	930,505
Net position, beginning	<u>17,642,221</u>	<u>16,711,716</u>
Net position, ending	<u>\$ 20,323,818</u>	<u>\$ 17,642,221</u>

Water		Sewerage		Sanitation	
2017	2016	2017	2016	2017	2016
\$ 1,806,466	\$ 1,658,027	\$ 863,326	\$ 811,222	\$ 1,032,850	\$ 969,767
<u>382,823</u>	<u>390,010</u>	<u>144,086</u>	<u>133,992</u>	<u>19,069</u>	<u>22,354</u>
<u>2,189,289</u>	<u>2,048,037</u>	<u>1,007,412</u>	<u>945,214</u>	<u>1,051,919</u>	<u>992,121</u>
275,589	251,385	64,566	84,972	79,657	27,104
26,376	31,071	8,069	10,769	5,125	3,311
18,797	22,130	10,222	16,039	8,178	6,013
-	-	20,743	29,453	-	-
752,138	616,874	-	-	-	-
300,850	467,894	65,379	99,691	-	-
24,377	19,325	100,720	88,796	-	5,199
22,556	21,511	99,903	88,492	-	-
25,620	18,392	19,953	17,375	1,406	-
79,596	169,386	80,784	189,134	-	-
44,082	42,624	26,449	25,631	-	-
21,447	1,248	493	-	-	-
53,033	63,843	15,056	16,784	6,810	10,100
-	-	-	-	855,302	811,274
330,695	302,363	388,075	387,637	-	-
<u>60,085</u>	<u>27,397</u>	<u>3,521</u>	<u>9,669</u>	<u>2,972</u>	<u>11,310</u>
<u>2,035,241</u>	<u>2,055,443</u>	<u>903,933</u>	<u>1,064,442</u>	<u>959,450</u>	<u>874,311</u>
<u>\$ 154,048</u>	<u>\$ (7,406)</u>	<u>\$ 103,479</u>	<u>\$ (119,228)</u>	<u>\$ 92,469</u>	<u>\$ 117,810</u>

CITY OF YOUNGSVILLE, LOUISIANA
Enterprise Fund
Sports Complex Fund

Statement of Net Position
June 30, 2017

With Comparative Amounts for the Year Ended June 30, 2016

	2017	2016
ASSETS		
Current assets:		
Cash	\$ 17,073	\$ 80,813
Receivables:		
Accounts receivable (net)	196,607	49,504
Due from other funds	2,608	208
Inventory	5,790	5,790
Prepaid items	88,756	102,831
Total current assets	310,834	239,146
Noncurrent assets:		
Capital assets:		
Land and construction in progress	3,471,000	4,348,000
Other capital assets, net of accumulated depreciation	20,845,370	20,693,654
Total noncurrent assets	24,316,370	25,041,654
Total assets	24,627,204	25,280,800
LIABILITIES		
Current liabilities:		
Accounts payable	42,322	46,875
Contracts payable	-	23,735
Retainage payable	-	77,911
Other liabilities	19,024	14,855
Due to other funds	293,146	98,592
Unearned revenue	24,112	27,750
Total current liabilities	378,604	289,718
NET POSITION		
Net investment in capital assets	24,316,370	24,940,008
Unrestricted (deficit)	(67,770)	51,074
Total net position	\$ 24,248,600	\$ 24,991,082

CITY OF YOUNGSVILLE, LOUISIANA
Enterprise Fund
Sports Complex Fund

Statement of Revenues, Expenses, and Changes in Fund Net Position
For the Year Ended June 30, 2017
With Comparative Amounts for the Year Ended June 30, 2016

	Totals	
	2017	2016
Operating revenues:		
Charges for services -		
Sponsorship fees	\$ 305,432	\$ 283,090
Tournament and league income	322,006	300,903
Concession sales	77,593	61,792
Gate fees	80,323	66,947
Tennis fees	12,226	7,236
Miscellaneous	69,943	7,339
Total operating revenues	867,523	727,307
Operating expenses:		
Salaries	409,752	372,333
Payroll and retirement	53,914	45,513
Group insurance	58,748	50,451
Advertising	20,041	25,880
Auto expense	25,828	22,087
Awards	8,238	-
Contract labor	267,250	182,599
Depreciation expense	837,241	640,790
Equipment expense	6,529	5,836
General insurance	117,246	96,823
Legal fees	19,688	5,270
Office supplies and expense	49,213	85,013
Repairs and maintenance	158,043	145,428
Security expense	34,226	42,209
Sponsorship fees	61,823	30,858
Supplies	121,706	93,739
Telephone and utilities	153,597	106,113
Tournament fees	203,091	158,755
Uniforms	4,201	2,046
Miscellaneous	33,883	36,296
Total operating expenses	2,645,081	2,148,039
Operating loss	(1,777,558)	(1,420,732)
Nonoperating income (expenses):		
Insurance proceeds	17,493	-
Loss on disposal of assets	-	(29,397)
Total nonoperating income (expenses)	17,493	(29,397)
Loss before capital contributions and transfers	(1,760,065)	(1,450,129)
Capital contributions	22,931	3,097,484
Transfers in	994,652	2,201,238
Change in net position	(742,482)	3,848,593
Net position, beginning	24,991,082	21,142,489
Net position, ending	\$ 24,248,600	\$ 24,991,082

**INTERNAL CONTROL,
COMPLIANCE, AND
OTHER MATTERS**

KOLDER, CHAMPAGNE, SLAVEN & COMPANY, LLC

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

The Honorable Ken Ritter, Mayor
and Members of the City Council
City of Youngsville, Louisiana

We have audited, in accordance with the 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, the financial statements of the governmental activities, the business-type activities, and each major fund of the City of Youngsville, Louisiana (the City) as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated December 29, 2017.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying summary schedule of current and prior year audit findings and management's corrective action plan, we identified a certain deficiency in internal control that we consider to be material weaknesses. We consider the deficiency described in the accompanying summary schedule of current and prior year audit findings and management's corrective action plan as item 2017-001(IC) and 2017-002(IC) to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, 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 or other matters that is required to be reported under *Government Auditing Standards*.

The City of Youngsville, Louisiana's Response to Findings

The City's response to the findings identified in our audit is described in the accompanying summary schedule of current and prior year audit findings and management's corrective action plan. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is intended solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control and compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Statements* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

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

Lafayette, Louisiana
December 29, 2017

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

The Honorable Ken Ritter, Mayor
and Members of the City Council
City of Youngsville, Louisiana

Report on Compliance for Each Major Federal Program

We have audited the City of Youngsville, Louisiana (the City) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have direct and material effect on each of the City's major federal programs for the year ended June 30, 2017. The City's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. 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 the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance 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 City'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 on compliance for each major federal program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Each Major Federal Program

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs for the year ended June 30, 2017.

Report on Internal Control over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose. 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
December 29, 2017

CITY OF YOUNGSVILLE, LOUISIANA

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2017

Federal Grantor / Pass-Through Grantor / Program Name	CFDA Number	Pass- Through Grantor's Number	Expenditures
<u>U.S. Department of Housing and Urban Development</u>			
Passed-through Louisiana Office of Community Development:			
Community Development Block Grant *	14.228	2000118901	395,612
<u>U.S. Department of Transportation</u>			
Passed-through Louisiana Department of Transportation and Development:			
Highway Planning and Construction *	20.205	H.011018	117,543
<u>U.S. Department of Homeland Security</u>			
Passed-through Governor's Office of Homeland Security and Emergency Preparedness:			
Disaster Grants	97.036		<u>561,623</u>
TOTAL FEDERAL EXPENDITURES			<u>\$ 1,074,778</u>

* Indicates major program

CITY OF YOUNGSVILLE, LOUISIANA

Notes to Schedule of Expenditures of Federal Awards
Year Ended June 30, 2017

(1) General

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal award activity of the City of Youngsville (the City) under programs of the federal government for the year ended June 30, 2017. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the City.

(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 City's basic financial statements for the year ended June 30, 2017. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

(3) Indirect Cost Rate

The City has elected not to use the 10 percent de minimis indirect cost rate allowed under Uniform Guidance.

(4) Relationship to Financial Statements

Federal awards revenues are reported in the City's financial statements as follows:

Governmental activities:	
General Fund	\$ 656,235
Business-type activities:	
Utility Fund	395,612
Sports Complex Fund	<u>22,931</u>
 Total	 <u>\$1,074,778</u>

CITY OF YOUNGSVILLE, LOUISIANA

Schedule of Findings and Questioned Costs
Year Ended June 30, 2017

Part I. Summary of Auditor's Results:

1. The auditor's report expresses an unmodified opinion on whether the financial statements of the City were prepared in accordance with GAAP.
2. Two deficiencies in internal control were disclosed during the audit of the financial statements. The deficiencies were considered to be material weaknesses.
3. No instances of noncompliance material to the financial statements of the City, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. There were no significant deficiencies or material weaknesses in internal control over a major federal program disclosed during the audit.
5. The auditor's report on compliance for the major federal award programs for the City expresses an unmodified opinion on all the major programs.
6. There are no audit findings that required to be reported in accordance with 2 CFR section 200.516(a) are reported in this schedule.
7. The following programs were considered to be major programs: Highway Planning and Construction (20.205) and Community Development Block Grants (14.228).
8. The dollar threshold used to distinguish between Type A and Type B programs was \$750,000.
9. The auditee did not qualify as a low-risk auditee.

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

Compliance Findings –

There were no compliance findings noted for the year ended June 30, 2017.

Internal Control –

See Internal Control Findings 2017-001 and 2017-002 on the Summary Schedule of Current and Prior Year Audit Findings and Corrective Action Plan.

CITY OF YOUNGSVILLE, LOUISIANA

Schedule of Findings and Questioned Costs
Year Ended June 30, 2017

Part III. Findings and questioned costs for Federal awards which include audit findings as defined in 2 CFR section 200 of the Uniform Guidance:

Compliance Findings –

There were no compliance findings for the year ended June 30, 2017.

Internal Control Findings –

There were no internal control findings for the year ended June 30, 2017.

CITY OF YOUNGSVILLE, LOUISIANA

Summary Schedule of Current and Prior Year Audit Findings
and Management's Corrective Action Plan
For the Year Ended June 30, 2017

<u>Ref. No.</u>	<u>Fiscal Year Finding Initially Occurred</u>	<u>Description of finding</u>	<u>Corrective Action Taken</u>	<u>Corrective Action Planned</u>	<u>Name of Contact Person</u>	<u>Anticipated Completion Date</u>
<u>CURRENT YEAR (6/30/17) --</u>						
<u>Internal Control:</u>						
2017-001(IC)	Unknown	Due to the small number of employees, the City of Youngsville did not have adequate segregation of functions within the accounting system.	N/A	No response is considered necessary.	Ben Burley, City Accountant	N/A
2017-002(IC)	6/30/2017	The City does not have adequate controls over recordation of transactions and monthly reconciliations of account balances. Material adjustments were required in order to adjust balances to correct amounts. The City should implement policies and procedures to reconcile account balances on a timely basis.	Partial	Due to complications with the conversion of accounting software during the fiscal year, the City was unable to reconcile accounts in a timely manner. Management will implement policies and procedures to establish controls over recordation of transactions and monthly reconciliations of account balances.	Ben Burley, City Accountant	Immediately

(continued)

CITY OF YOUNGSVILLE, LOUISIANA
 Summary Schedule of Current and Prior Year Audit Findings
 and Management's Corrective Action Plan (Continued)
 For the Year Ended June 30, 2017

Ref. No.	Fiscal Year Finding Initially Occurred	Description of finding	Corrective Action Taken	Corrective Action Planned	Name of Contact Person	Anticipated Completion Date
PRIOR YEAR (6/30/16) --						
<u>Internal Control:</u>						
2016-001(IC)		Due to the small number of employees, the City of Youngsville did not have adequate segregation of functions within the accounting system.	N/A	No response is considered necessary.	Ashley Sexton, City Treasurer	N/A
<u>Management Letter:</u>						
2016-002(ML)	06/30/12	Due to the increasing size of the City's operations, it appears that the current software being utilized may not be sufficient to effectively and efficiently record transactions in an accurate manner to provide financial information to management officials.	Yes	In October 2015, management entered into a contract for the purchase of accounting software which will process information in an efficient and accurate manner.	Ashley Sexton, City Treasurer	6/30/2017
2016-003(ML)	06/30/13	The City's water and sewer departments experienced operating losses of \$7,406 and \$119,228, respectively. Consideration should be given to increasing rates and/or decreasing expenses in these departments in order to generate a profit.	Yes	Management will evaluate the current water and sewer charges, and will closely monitor the operating expenses in these departments and make necessary changes.	Ashley Sexton, City Treasurer	Immediately
2016-004(ML)	06/30/16	The City should implement the following policies and procedures over the tennis program at the Sports Complex: (1) execute a written employment contract with the tennis pro to establish terms of employment; (2) implement a system of authorization of activities and record keeping for tennis camps, clinics, and court fees; and (3) ensure that activities are properly monitored.	Yes	Management will execute an employment contract with the tennis pro establishing terms of employment. Management will also implement procedures to account for tennis camps and clinics revenues and establish a log of private lessons in order to ascertain that all revenues properly recorded, as well as monitor all activities.	Ashley Sexton, City Treasurer	Immediately

CITY OF YOUNGSVILLE, LOUISIANA

**Independent Accountants' Report
On Applying Agreed-Upon Procedures**

Year Ended June 30, 2017

KOLDER, CHAMPAGNE, SLAVEN & COMPANY, LLC

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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

* A Professional Accounting Corporation

To the Mayor and Board of Aldermen of the
City of Youngsville, Louisiana and the
Louisiana Legislative Auditor

We have performed the procedures enumerated below, which were agreed to by the management of the City of Youngsville (City) and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the City's compliance with certain laws, regulations and best practices during the year ended June 30, 2017. Management of the City is responsible for its financial records and compliance with applicable laws and regulations. This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

Written Policies and Procedures

1. Obtain the entity's written policies and procedures and report whether those written policies and procedures address each of the following financial/business functions (or report that the entity does not have any written policies and procedures), as applicable:

- a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget.

The City did not have written policies and procedures to address the functions noted above.

- b) **Purchasing**, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.

The City did not have written policies and procedures to address the functions noted above.

- c) **Disbursements**, including processing, reviewing, and approving.

The City did not have written policies and procedures to address the functions noted above.

- d) **Receipts**, including receiving, recording, and preparing deposits.

The City did not have written policies and procedures to address the functions noted above.

- e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.

The City did not have written policies and procedures to address the functions noted above.

- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.

The City did not have written policies and procedures to address the functions noted above.

- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers, and (5) monitoring card usage.

The City did not have written policies and procedures to address the functions noted above.

- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.

The City did not have written policies and procedures to address the functions noted above.

- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy. Note: Ethics requirements are not applicable to nonprofits.

The City did not have written policies and procedures to address the functions noted above.

- j) **Debt Service**, including (1) debt issuance approval, (2) EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

The City did not have written policies and procedures to address the functions noted above.

Board (or Finance Committee, if applicable)

2. Obtain and review the board/committee minutes for the fiscal period, and:

- a) Report whether the managing board met (with a quorum) at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, or other equivalent document.

Obtained and reviewed minutes of the managing board for the fiscal period noting that the board met at least monthly.

- b) Report whether the minutes referenced or included monthly budget-to-actual comparisons on the General Fund and any additional funds identified as major funds in the entity's prior audit (GAAP-basis).

Obtained and reviewed minutes of the managing board for the fiscal period noting that the minutes included or referenced monthly budget-to-actual comparisons for the major funds for all of the 12 months examined.

- If the budget-to-actual comparisons show that management was deficit spending during the fiscal period, report whether there is a formal/written plan to eliminate the deficit spending for those entities with a fund balance deficit. If there is a formal/written plan, report whether the meeting minutes for at least one board meeting during the fiscal period reflect that the board is monitoring the plan.

Review of budget to actual comparisons did not disclose deficit spending during the fiscal period.

- c) Report whether the minutes referenced or included non-budgetary financial information (e.g. approval of contracts and disbursements) for at least one meeting during the fiscal period.

Obtained and reviewed the minutes of the managing board for the fiscal period noting that minutes referenced or included non-budgetary financial information for at least one meeting during the fiscal period.

Bank Reconciliations

3. Obtain a listing of client bank accounts from management and management's representation that the listing is complete.

Obtained listing of client bank accounts from management and management's representation that listing is complete.

4. Using the listing provided by management, select all of the entity's bank accounts (if five accounts or less) or one-third of the bank accounts on a three year rotating basis (if more than 5 accounts). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. *Note: School student activity fund accounts may be excluded from selection if they are otherwise addressed in a separate audit or AUP engagement.* For each of the bank accounts selected, obtain bank statements and reconciliations for all months in the fiscal period and report whether:

- a) Bank reconciliations have been prepared;

Obtained bank statements and reconciliations for all months in the fiscal period, noting that reconciliations have been prepared for all months.

- b) Bank reconciliations include evidence that a member of management or a board member (with no involvement in the transactions associated with the bank account) has reviewed each bank reconciliation; and

Obtained bank statements and reconciliations for all months in the fiscal period noting evidence of board member review was not present for any of the months for each of the twelve accounts selected.

- c) If applicable, management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 6 months as of the end of the fiscal period.

Obtained bank statements and reconciliations for all months in the fiscal period noting management's documentation of research for items that have been outstanding for more than 6 months was not present on two of the twelve accounts examined.

Collections

5. Obtain a listing of cash/check/money order (cash) collection locations and management's representation that the listing is complete.

Obtained listing of cash collection locations and management's representation that listing is complete.

6. Using the listing provided by management, select all of the entity's cash collection locations (if five locations or less) or one-third of the collection locations on a three-year rotating basis (if more than 5 locations). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. *Note: School student activity funds may be excluded from selection if they are otherwise addressed in a separate audit or AUP engagement.* For each cash collection location selected:

- a) Obtain existing written documentation (e.g. insurance policy, policy manual, job description) and report whether each person responsible for collecting cash is (1) bonded, (2) not responsible for depositing the cash in the bank, recording the related transaction, or reconciling the related bank account (report if there are compensating controls performed by an outside party), and (3) not required to share the same cash register or drawer with another employee.

Review of insurance policies and other written documentation disclosed that one of three cash collection locations have employees responsible for collecting cash who are not bonded; two of three cash collection locations have employees responsible for collecting cash who are also responsible for depositing the cash in the bank; and one of three cash collection locations have employees responsible for collecting cash who are also responsible for recording the related transaction.

- b) Obtain existing written documentation (e.g. sequentially numbered receipts, system report, reconciliation worksheets, policy manual) and report whether the entity has a formal process to reconcile cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, by a person who is not responsible for cash collections in the cash collection location selected.

In each of the three locations selected, there is a formal process to reconcile cash collections to the general ledger by revenue source.

In two of the three locations selected, the person reconciling cash collections to the general ledger by revenue source is also responsible for cash collections.

- c) Select the highest (dollar) week of cash collections from the general ledger or other accounting records during the fiscal period and:

- Using entity collection documentation, deposit slips, and bank statements, trace daily collections to the deposit date on the corresponding bank statement and report whether the deposits were made within one day of collection. If deposits were not made within one day of collection, report the number of days from receipt to deposit for each day at each collection location.

The highest (dollar) week of cash collections for each location was obtained along with collection documentation, deposit slips, and bank statements.

One of the three locations selected for testing had the following exceptions noted in the week of collections selected for testing: One day of cash collections was held for seven days prior to making a bank deposit; one day of collections was held for six days prior to making a bank deposit; one day of collections was held for five days prior to making a bank deposit; one day of collections was held for four days prior to making a bank deposit; and one day of cash collections was held for three days prior to making a bank deposit.

- Using sequentially numbered receipts, system reports, or other related collection documentation, verify that daily cash collections are completely supported by documentation and report any exceptions.

In each of the three locations selected for testing daily cash collections were completely supported by sequentially numbered receipts or similar documentation.

7. Obtain existing written documentation (e.g. policy manual, written procedure) and report whether the entity has a process specifically defined (identified as such by the entity) to determine completeness of all collections, including electronic transfers, for each revenue source and agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation) by a person who is not responsible for collections.

In all locations, there is no process specifically defined to determine the completeness of all collections by a person who is not responsible for collections.

Disbursements – General (excluding credit card/debit card/fuel card/P-card purchases or payments)

8. Obtain a listing of entity disbursements from management or, alternately, obtain the general ledger and sort/filter for entity disbursements. Obtain management's representation that the listing or general ledger population is complete.

Listing of disbursements and management's representation that the listing is complete was obtained.

9. Using the disbursement population from #8 above, randomly select 25 disbursements (or randomly select disbursements constituting at least one-third of the dollar disbursement population if the entity had less than 25 transactions during the fiscal period), excluding credit card/debit card/fuel card/P-card purchases or payments. Obtain supporting documentation (e.g. purchase requisitions, system screens/logs) for each transaction and report whether the supporting documentation for each transaction demonstrated that:

- a) Purchases were initiated using a requisition/purchase order system or an equivalent electronic system that separates initiation from approval functions in the same manner as a requisition/purchase order system.

There were no exceptions noted as a result of applying this procedure.

- b) Purchase orders, or an electronic equivalent, were approved by a person who did not initiate the purchase.

There were no exceptions noted as a result of applying this procedure.

- c) Payments for purchases were not processed without (1) an approved requisition and/or purchase order, or electronic equivalent; a receiving report showing receipt of goods purchased, or electronic equivalent; and an approved invoice.

There were no exceptions noted as a result of applying this procedure.

10. Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), report whether the person responsible for processing payments is prohibited from adding vendors to the entity's purchasing/disbursement system.

The entity does not have written documentation that addresses the function above.

11. Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), report whether the persons with signatory authority or who make the final authorization for disbursements have no responsibility for initiating or recording purchases.

The entity does not have written documentation that addresses the function above.

12. Inquire of management and observe whether the supply of unused checks is maintained in a locked location, with access restricted to those persons that do not have signatory authority, and report any exceptions. Alternately, if the checks are electronically printed on blank check stock, review entity documentation (electronic system control documentation) and report whether the persons with signatory authority have system access to print checks.

Inquiry of management indicated that unused check stock is maintained in a locked location with access restricted to those persons that do not have any signatory authority.

13. If a signature stamp or signature machine is used, inquire of the signer whether his or her signature is maintained under his or her control or is used only with the knowledge and consent of the signer. Inquire of the signer whether signed checks are likewise maintained under the control of the signer or authorized user until mailed. Report any exceptions.

The entity does not use a signature stamp or signature machine.

Credit Cards/Debit Cards/Fuel Cards/P-Cards

14. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards), including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

Listing of active credit cards, bank debit cards, fuel cards and name of person who maintain possession of cards and management's representation that the listing is complete was obtained.

15. Using the listing prepared by management, randomly select 10 cards (or at least one-third of the cards if the entity has less than 10 cards) that were used during the fiscal period, rotating cards each year. If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner.

Ten cards were randomly selected from the listing, with six of the cards being combined on one statement, and three of the cards having individual statements; therefore, a total of four statements were tested.

Obtain the monthly statements, or combined statements if multiple cards are on one statement, for the selected cards. Select the monthly statement or combined statement with the largest dollar activity for each card (for a debit card, select the monthly bank statement with the largest dollar amount of debit card purchases) and:

- a) Report whether there is evidence that the monthly statement or combined statement and supporting documentation was reviewed and approved, in writing, by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.)]

All of the ten credit cards selected had evidence that the monthly statement was reviewed and approved, in writing, by someone other than the cardholder.

- b) Report whether finance charges and/or late fees were assessed on the selected statements.

One of the four statements tested had finance charges and/or late fees assessed.

16. Using the monthly statements or combined statements selected under #15 above, obtain supporting documentation for all transactions for each of the 10 cards selected (i.e. each of the 10 cards should have one month of transactions subject to testing).

- a) For each transaction, report whether the transaction is supported by:

- An original itemized receipt (i.e., identifies precisely what was purchased)

There were no exceptions noted as a result of applying this procedure.

- Documentation of the business/public purpose. For meal charges, there should also be documentation of the individuals participating.

One credit card selected for testing had one meal purchase in the month selected for testing, which did not include documentation of the individuals participating.

- Other documentation that may be required by written policy (e.g., purchase order, written authorization.)

There were no exceptions noted as a result of applying this procedure.

- b) For each transaction, compare the transaction's detail (nature of purchase, dollar amount of purchase, supporting documentation) to the entity's written purchasing/disbursement policies and the Louisiana Public Bid Law (i.e. transaction is a large or recurring purchase requiring the solicitation of bids or quotes) and report any exceptions.

The transaction details could not be compared to written policies and procedures because the City does not have written purchasing/disbursement policies. There were no transactions noted that would have been subject to Louisiana Public Bid Law.

- c) For each transaction, compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. cash advances or non-business purchases, regardless whether they are reimbursed). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.

There were no exceptions noted as a result of applying this procedure.

Travel and Expense Reimbursement

17. Obtain from management a listing of all travel and related expense reimbursements, by person, during the fiscal period or, alternately, obtain the general ledger and sort/filter for travel reimbursements. Obtain management's representation that the listing or general ledger is complete.

Listing of travel and expense reimbursements by person and management's representation that the listing is complete were obtained.

18. Obtain the entity's written policies related to travel and expense reimbursements. Compare the amounts in the policies to the per diem and mileage rates established by the U.S. General Services Administration (www.gsa.gov) and report any amounts that exceed GSA rates.

The City did not have written policies related to travel.

19. Using the listing or general ledger from #17 above, select the three persons who incurred the most travel costs during the fiscal period. Obtain the expense reimbursement reports or prepaid expense documentation of each selected person, including the supporting documentation, and choose the largest travel expense for each person to review in detail. For each of the three travel expenses selected:

- a) Compare expense documentation to written policies and report whether each expense was reimbursed or prepaid in accordance with written policy (e.g., rates established for meals, mileage, lodging). If the entity does not have written policies, compare to the GSA rates (#18 above) and report each reimbursement that exceeded those rates.

There were no employees selected for testing had per diem payments that exceeded GSA rates.

- b) Report whether each expense is supported by:

- An original itemized receipt that identifies precisely what was purchased. [Note: An expense that is reimbursed based on an established per diem amount (e.g., meals) does not require a receipt.]

No exceptions were noted as a result of applying this procedure.

- Documentation of the business/public purpose (Note: For meal charges, there should also be documentation of the individuals participating).

No exceptions were noted as a result of applying this procedure.

- Other documentation as may be required by written policy (e.g., authorization for travel, conference brochure, certificate of attendance)

No exceptions were noted as a result of applying this procedure.

- c) Compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. hotel stays that extend beyond conference periods or payment for the travel expenses of a spouse). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.

No exceptions were noted as a result of applying this procedure.

- d) Report whether each expense and related documentation was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

One of three employees selected for testing had an expense that was not approved in writing. One of three employees selected for testing had an expense that was not approved by someone other than the person receiving the reimbursement.

Contracts

- 20. Obtain a listing of all contracts in effect during the fiscal period or, alternately, obtain the general ledger and sort/filter for contract payments. Obtain management's representation that the listing or general ledger is complete.

Listing of all contracts in effect and management's representation that the listing is complete was obtained.

- 21. Using the listing above, select the five contract "vendors" that were paid the most money during the fiscal period (excluding purchases on state contract and excluding payments to the practitioner). Obtain the related contracts and paid invoices and:

- a) Report whether there is a formal/written contract that supports the services arrangement and the amount paid.

No exceptions were noted as a result of applying this procedure.

- b) Compare each contract's detail to the Louisiana Public Bid Law or Procurement Code. Report whether each contract is subject to the Louisiana Public Bid Law or Procurement Code and:

- If yes, obtain/compare supporting contract documentation to legal requirements and report whether the entity complied with all legal requirements (e.g., solicited quotes or bids, advertisement, selected lowest bidder)

There were no instances of noncompliance noted as a result of applying this procedure.

- If no, obtain supporting contract documentation and report whether the entity solicited quotes as a best practice.

There were no instances of noncompliance noted as a result of applying this procedure.

- c) Report whether the contract was amended. If so, report the scope and dollar amount of the amendment and whether the original contract terms contemplated or provided for such an amendment.

One contract for garbage collection was amended twice: first to provide for an additional charge of \$7 per month per cart for each additional cart used by residential units, and second to extend the contract term for an additional five years. One construction contract was amended twice: first for a change in pipeline requirements and safety end drainage provisions at a total increase of \$46,834, and second for changes due to field conditions and work deleted from the project for a net decrease of \$69,585. One of the contracts for water purchases was amended to include a rate increase of \$0.44 per thousand gallons. One construction contract was amended for an increase in the amount of hours worked for \$3,236. One construction contract was amended to reflect changes in field conditions and work added or deleted from the project for a net decrease of \$99,596. Each of the contracts examined had terms that provided for such amendments.

- d) Select the largest payment from each of the five contracts, obtain the supporting invoice, compare the invoice to the contract terms, and report whether the invoice and related payment complied with the terms and conditions of the contract.

There were no instances of noncompliance noted as a result of applying this procedure.

- e) Obtain/review contract documentation and board minutes and report whether there is documentation of board approval, if required by policy or law (e.g. Lawrason Act or Home Rule Charter).

Proper board approval was noted for each contract amendment tested.

Payroll and Personnel

22. Obtain a listing of employees (and elected officials, if applicable) with their related salaries, and obtain management's representation that the listing is complete. Randomly select five employees/officials, obtain their personnel files, and:

Listing of employees with their related salaries and management's representation that the listing is complete was obtained.

- a) Review compensation paid to each employee during the fiscal period and report whether payments were made in strict accordance with the terms and conditions of the employment contract or pay rate structure.

No exceptions were noted as a result of applying this procedure.

- b) Review changes made to hourly pay rates/salaries during the fiscal period and report whether those changes were approved in writing and in accordance with written policy.

No exceptions were noted as a result of applying this procedure.

23. Obtain attendance and leave records and randomly select one pay period in which leave has been taken by at least one employee. Within that pay period, randomly select 25 employees/officials (or randomly select one-third of employees/officials if the entity had less than 25 employees during the fiscal period), and:

- a) Report whether all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)

No exceptions were noted as a result of applying this procedure.

- b) Report whether there is written documentation that supervisors approved, electronically or in writing, the attendance and leave of the selected employees/officials.

Two of twenty-five employees/officials did not have written documentation that supervisors approved, electronically or in writing, the leave taken by the selected employee/official.

- c) Report whether there is written documentation that the entity maintained written leave records (e.g., hours earned, hours used, and balance available) on those selected employees/officials that earn leave.

No exceptions were noted as a result of applying this procedure.

24. Obtain from management a list of those employees/officials that terminated during the fiscal period and management's representation that the list is complete. If applicable, select the two largest termination payments (e.g., vacation, sick, compensatory time) made during the fiscal period and obtain the personnel files for the two employees/officials. Report whether the termination payments were made in strict accordance with policy and/or contract and approved by management.

No exceptions were noted as a result of applying this procedure.

25. Obtain supporting documentation (e.g. cancelled checks, EFT documentation) relating to payroll taxes and retirement contributions during the fiscal period. Report whether the employee and employer portions of payroll taxes and retirement contributions, as well as the required reporting forms, were submitted to the applicable agencies by the required deadlines.

No exceptions were noted as a result of applying this procedure.

Ethics (excluding nonprofits)

26. Using the five randomly selected employees/officials from procedure #22 under "Payroll and Personnel" above, obtain ethics compliance documentation from management and report whether the entity maintained documentation to demonstrate that required ethics training was completed.

Two of the five employees/officials tested did not have documentation to demonstrate required ethics training was completed.

27. Inquire of management whether any alleged ethics violations were reported to the entity during the fiscal period. If applicable, review documentation that demonstrates whether management investigated alleged ethics violations, the corrective actions taken, and whether management's actions complied with the entity's ethics policy. Report whether management received allegations, whether management investigated allegations received, and whether the allegations were addressed in accordance with policy.

Management asserted that they have received no allegations during the fiscal period.

Debt Service (excluding nonprofits)

28. If debt was issued during the fiscal period, obtain supporting documentation from the entity, and report whether State Bond Commission approval was obtained.

There were no exceptions noted as a result of applying this procedure.

29. If the entity had outstanding debt during the fiscal period, obtain supporting documentation from the entity and report whether the entity made scheduled debt service payments and maintained debt reserves, as required by debt covenants.

All scheduled debt service payments were made and debt reserves were maintained as required by debt covenants.

30. If the entity had tax millages relating to debt service, obtain supporting documentation and report whether millage collections exceed debt service payments by more than 10% during the fiscal period. Also, report any millages that continue to be received for debt that has been paid off.

The entity does not have tax millages relating to debt service.

Other

31. Inquire of management whether the entity had any misappropriations of public funds or assets. If so, obtain/review supporting documentation and report whether the entity reported the misappropriation to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

Management has asserted that the entity did not have any misappropriations of public funds or assets.

32. Observe and report whether the entity has posted on its premises and website, the notice required by R.S. 24:523.1. This notice (available for download or print at www.la.gov/hotline) concerns the reporting of misappropriation, fraud, waste, or abuse of public funds.

The entity does not have the required notices posted on its premises and website.

33. If the practitioner observes or otherwise identifies any exceptions regarding management's representations in the procedures above, report the nature of each exception.

No exceptions were observed or identified regarding management's representations in the procedures above.

We were not engaged to perform, and did not perform, an audit, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of the City of Youngsville and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

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

Lafayette, Louisiana
December 29, 2017