

CITY OF YOUNGSVILLE, LOUISIANA

Financial Report

Year Ended June 30, 2020

TABLE OF CONTENTS

	Page
Independent Auditor's Report	1-3
BASIC FINANCIAL STATEMENTS	
GOVERNMENT-WIDE FINANCIAL STATEMENTS (GWFS)	
Statement of net position	6
Statement of activities	7
FUND FINANCIAL STATEMENTS (FFS)	
Balance sheet - governmental funds	10
Reconciliation of the governmental funds balance sheet to the statement of net position	11
Statement of revenues, expenditures, and changes in fund balances- governmental funds	12
Reconciliation of the statement of revenues, expenditures, and changes in fund balances of governmental funds to the statement of activities	13
Combined statement of net position - proprietary funds	14
Combined statement of revenues, expenses, and changes in fund net position - proprietary funds	15
Combined statement of cash flows - proprietary funds	16-17
Notes to basic financial statements	18-47
REQUIRED SUPPLEMENTARY INFORMATION	
Budgetary comparison schedules:	
General Fund	49
1968 Sales Tax Special Revenue Fund	50
1981 Sales Tax Special Revenue Fund	51
1999 Sales Tax Special Revenue Fund	52
Recreational Facility Sales Tax Special Revenue Fund	53
Schedule of employer's share of net pension liability	54
Schedule of employer contributions	55
Notes to the required supplementary information	56-57
OTHER SUPPLEMENTARY INFORMATION	
Statement of net position - compared to prior year totals	59
General and Special Revenue Funds - comparative balance sheet	60
Major Governmental Funds - Detail budgetary comparison schedules compared to actual for prior year:	
General Fund - budgetary comparison schedule	61
General Fund - budgetary comparison schedule - revenues	62
General Fund - budgetary comparison schedule- expenditures	63-64
1981 Sales Tax Fund - budgetary comparison schedule - expenditures	65

(continued)

TABLE OF CONTENTS (Continued)

	Page
Major Governmental Funds - Schedule of revenues, expenditures, and changes in fund balance - budget (GAAP basis) and actual:	
General Obligation Bonds Fund	66
Street Improvements and Construction Fund	67
Municipal Complex Construction Fund	68
Schedule of number of utility customers (unaudited)	69
Schedule of insurance in force (unaudited)	70
Combined schedule of interest-bearing deposits - all funds (unaudited)	71
Comparative statement of net position - Utility Fund	72
Comparative departmental analysis of revenues and expenses	73-74
Comparative statement of net position - Sports Complex Fund	75
Comparative statement of revenues, expenses, and changes in fund net position - Sports Complex Fund	76
INTERNAL CONTROL, COMPLIANCE, AND OTHER MATTERS	
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 <i>Government Auditing Standards</i>	78-79
Summary schedule of current and prior year audit findings and management's corrective action plan	80-81

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INDEPENDENT AUDITOR'S REPORT

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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, 2020, 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, 2020, 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 49 through 55 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 59 through 76 is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The comparative statements 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 2019 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 November 3, 2020, 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, Slaven & Company, LLC
Certified Public Accountants

Lafayette, Louisiana
November 3, 2020

BASIC FINANCIAL STATEMENTS

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

CITY OF YOUNGSVILLE, LOUISIANA

Statement of Net Position
June 30, 2020

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current assets:			
Cash and interest-bearing deposits	\$ 5,283,565	\$ 3,885,154	\$ 9,168,719
Receivables, net	956,629	984,876	1,941,505
Internal balances	2,187,448	(2,187,448)	-
Prepaid items	134,290	160,559	294,849
Total current assets	<u>8,561,932</u>	<u>2,843,141</u>	<u>11,405,073</u>
Noncurrent assets:			
Restricted assets:			
Cash and interest-bearing deposits	10,257,215	983,694	11,240,909
Investments	362,862	-	362,862
Capital assets:			
Land and construction in progress	7,225,070	5,172,571	12,397,641
Capital assets, net	38,991,857	42,181,578	81,173,435
Total noncurrent assets	<u>56,837,004</u>	<u>48,337,843</u>	<u>105,174,847</u>
Total assets	<u>65,398,936</u>	<u>51,180,984</u>	<u>116,579,920</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred loss on bond refunding	102,131	-	102,131
Deferred outflows related to pensions	1,348,433	-	1,348,433
Total deferred outflows of resources	<u>1,450,564</u>	<u>-</u>	<u>1,450,564</u>
LIABILITIES			
Current liabilities:			
Accounts, salaries and other payables	997,108	1,898,161	2,895,269
Unearned revenue	-	10,025	10,025
Customers' deposits	-	500,292	500,292
Capital lease payable	57,762	-	57,762
Note payable	93,528	-	93,528
Bonds payable	2,461,000	220,000	2,681,000
Accrued interest	242,247	4,305	246,552
Total current liabilities	<u>3,851,645</u>	<u>2,632,783</u>	<u>6,484,428</u>
Noncurrent liabilities:			
Capital lease payable	63,074	-	63,074
Note payable	405,296	-	405,296
DEQ water loan payable	-	317,730	317,730
Bonds payable	33,560,178	2,319,000	35,879,178
Net pension liability	2,724,793	-	2,724,793
Total noncurrent liabilities	<u>36,753,341</u>	<u>2,636,730</u>	<u>39,390,071</u>
Total liabilities	<u>40,604,986</u>	<u>5,269,513</u>	<u>45,874,499</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions	83,830	-	83,830
NET POSITION			
Net investment in capital assets	17,358,945	44,460,869	61,819,814
Restricted for sales tax dedications	5,477,965	-	5,477,965
Restricted for debt service	2,837,561	218,617	3,056,178
Unrestricted	486,213	1,231,985	1,718,198
Total net position	<u>\$ 26,160,684</u>	<u>\$ 45,911,471</u>	<u>\$ 72,072,155</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, 2020

Activities	Expenses	Fees, Fines, and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expense) Revenues and Changes in Net Position		
					Governmental Activities	Business-Type Activities	Total
Governmental activities:							
General government	\$ 1,813,975	\$ 902,050	\$ -	\$ -	\$ (911,925)	\$ -	\$ (911,925)
Public safety:							
Police	3,891,431	615,857	402,187	221,816	(2,651,571)	-	(2,651,571)
Fire	1,266,906	-	-	-	(1,266,906)	-	(1,266,906)
Streets	2,929,775	-	97,798	-	(2,831,977)	-	(2,831,977)
Interest on long-term debt	1,067,584	-	-	-	(1,067,584)	-	(1,067,584)
Total governmental activities	<u>10,969,671</u>	<u>1,517,907</u>	<u>499,985</u>	<u>221,816</u>	<u>(8,729,963)</u>	<u>-</u>	<u>(8,729,963)</u>
Business-type activities:							
Water	2,431,123	3,158,002	-	-	-	726,879	726,879
Sewer	1,353,702	2,089,657	-	13,200	-	749,155	749,155
Sanitation	1,251,256	1,488,860	-	-	-	237,604	237,604
Recreation	2,990,093	870,418	-	-	-	(2,119,675)	(2,119,675)
Total business-type activities	<u>8,026,174</u>	<u>7,606,937</u>	<u>-</u>	<u>13,200</u>	<u>-</u>	<u>(406,037)</u>	<u>(406,037)</u>
Total	<u>\$ 18,995,845</u>	<u>\$ 9,124,844</u>	<u>\$ 499,985</u>	<u>\$ 235,016</u>	<u>(8,729,963)</u>	<u>(406,037)</u>	<u>(9,136,000)</u>
General revenues:							
Taxes -							
Ad valorem taxes					1,356,990	469,316	1,826,306
Sales and use taxes, levied for general purposes					10,751,075	-	10,751,075
Franchise taxes					699,563	-	699,563
Grants and contributions not restricted to specific programs -							
State sources					23,161	-	23,161
Non-employer pension contribution					61,768	-	61,768
Interest and investment earnings					81,327	4,030	85,357
Miscellaneous					272,400	-	272,400
Transfers					(1,288,594)	1,288,594	-
Total general revenues and transfers					<u>11,957,690</u>	<u>1,761,940</u>	<u>13,719,630</u>
Change in net position					3,227,727	1,355,903	4,583,630
Net position - July 1, 2019					<u>22,932,957</u>	<u>44,555,568</u>	<u>67,488,525</u>
Net position - June 30, 2020					<u>\$ 26,160,684</u>	<u>\$ 45,911,471</u>	<u>\$ 72,072,155</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 the City's general obligation bonds, which are being financed by the 1968, 1999, and Recreational Facility's sales tax revenues, ad valorem tax revenues, and excess revenues of the City.

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.

Municipal Complex Construction Fund -

To account for the construction of the municipal complex utilizing the proceeds of the \$7,000,0000 Sales Tax Bonds, Series 2018.

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, 2020

	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	Municipal Complex Construction	Total
ASSETS									
Cash and interest-bearing deposits	\$ 739,969	\$ 1,144,158	\$ 623,882	\$ 1,990,820	\$ 784,736	\$ 2,789,170	\$ 334,010	\$ 7,134,035	\$ 15,540,780
Investments	-	-	-	-	-	362,862	-	-	362,862
Receivables:									
Taxes	-	630,981	-	-	255,135	-	-	-	886,116
Due from other funds	2,943,101	350,961	380,272	2,045,011	393,929	246,158	567,282	-	6,926,714
Other	70,513	-	-	-	-	-	-	-	70,513
Prepaid items	65,425	-	68,865	-	-	-	-	-	134,290
Total assets	<u>\$3,819,008</u>	<u>\$2,126,100</u>	<u>\$1,073,019</u>	<u>\$4,035,831</u>	<u>\$ 1,433,800</u>	<u>\$3,398,190</u>	<u>\$ 901,292</u>	<u>\$ 7,134,035</u>	<u>\$23,921,275</u>
LIABILITIES AND FUND BALANCES									
Liabilities -									
Accounts payable	\$ 151,059	\$ 4,769	\$ 8,115	\$ 660	\$ 380	\$ -	\$ 131,551	\$ -	\$ 296,534
Contracts payable	31,862	-	-	-	-	-	76,779	39,196	147,837
Retainage payable	-	-	-	-	-	-	303,616	-	303,616
Accrued liabilities	167,646	-	81,475	-	-	-	-	-	249,121
Due to other funds	1,092,079	1,705,976	710,290	4,682	605,573	318,382	282,784	19,500	4,739,266
Total liabilities	<u>1,442,646</u>	<u>1,710,745</u>	<u>799,880</u>	<u>5,342</u>	<u>605,953</u>	<u>318,382</u>	<u>794,730</u>	<u>58,696</u>	<u>5,736,374</u>
Fund balances -									
Nonspendable (for prepaid items)	65,425	-	68,865	-	-	-	-	-	134,290
Restricted:									
Sales tax dedications	-	415,355	204,274	4,030,489	827,847	-	-	-	5,477,965
Debt service	-	-	-	-	-	3,079,808	-	-	3,079,808
Capital projects	-	-	-	-	-	-	106,562	7,075,339	7,181,901
Unassigned	2,310,937	-	-	-	-	-	-	-	2,310,937
Total fund balances	<u>2,376,362</u>	<u>415,355</u>	<u>273,139</u>	<u>4,030,489</u>	<u>827,847</u>	<u>3,079,808</u>	<u>106,562</u>	<u>7,075,339</u>	<u>18,184,901</u>
Total liabilities and fund balances	<u>\$3,819,008</u>	<u>\$2,126,100</u>	<u>\$1,073,019</u>	<u>\$4,035,831</u>	<u>\$ 1,433,800</u>	<u>\$3,398,190</u>	<u>\$ 901,292</u>	<u>\$ 7,134,035</u>	<u>\$23,921,275</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, 2020

Total fund balances for governmental funds at June 30, 2020		\$ 18,184,901
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	\$ 7,225,070	
Buildings, net of \$837,424 accumulated depreciation	1,646,191	
Infrastructure, net of \$10,158,494 accumulated depreciation	36,292,968	
Equipment, net of \$1,851,800 accumulated depreciation	<u>1,052,698</u>	46,216,927
The deferred loss on bond refunding is not an available resource, and therefore, is not reported in the funds		102,131
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		1,348,433
Long-term liabilities at June 30, 2020:		
Capital lease payable	(120,836)	
Note payable	(498,824)	
Bonds payable	(36,021,178)	
Net pension liability	(2,724,793)	
Accrued interest payable	<u>(242,247)</u>	(39,607,878)
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>(83,830)</u>
Total net position of governmental activities at June 30, 2020		<u>\$ 26,160,684</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, 2020

	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	Municipal Complex Construction	Total
Revenues:									
Taxes	\$ 3,594,870	\$ 3,070,919	\$ 1,535,460	\$ 1,535,460	\$ 3,070,919	\$ -	\$ -	\$ -	\$ 12,807,628
Licenses and permits	902,050	-	-	-	-	-	-	-	902,050
Intergovernmental	342,775	-	402,187	-	-	-	-	-	744,962
Fines and forfeits	96,401	-	519,456	-	-	-	-	-	615,857
Miscellaneous	174,063	2,266	16,798	2,851	12,972	25,440	17,764	103,453	355,607
Total revenues	<u>5,110,159</u>	<u>3,073,185</u>	<u>2,473,901</u>	<u>1,538,311</u>	<u>3,083,891</u>	<u>25,440</u>	<u>17,764</u>	<u>103,453</u>	<u>15,426,104</u>
Expenditures:									
Current -									
General government	1,592,830	34,800	21,241	19,055	29,692	-	48,932	-	1,746,550
Public safety:									
Police	-	-	3,154,906	-	-	-	-	-	3,154,906
Fire	1,266,906	-	-	-	-	-	-	-	1,266,906
Streets	1,465,863	-	-	-	-	-	-	-	1,465,863
Capital outlay	1,343,797	-	109,276	-	-	-	2,701,391	208,713	4,363,177
Debt service	18,369	36,738	84,987	18,369	1,683	3,613,595	-	-	3,773,741
Total expenditures	<u>5,687,765</u>	<u>71,538</u>	<u>3,370,410</u>	<u>37,424</u>	<u>31,375</u>	<u>3,613,595</u>	<u>2,750,323</u>	<u>208,713</u>	<u>15,771,143</u>
Excess (deficiency) of revenues over expenditures	<u>(577,606)</u>	<u>3,001,647</u>	<u>(896,509)</u>	<u>1,500,887</u>	<u>3,052,516</u>	<u>(3,588,155)</u>	<u>(2,732,559)</u>	<u>(105,260)</u>	<u>(345,039)</u>
Other financing sources (uses):									
Transfers in	2,008,200	-	1,313,273	-	-	3,675,513	1,580,909	-	8,577,895
Transfers out	(1,978,678)	(2,980,566)	(157,132)	(718,868)	(4,031,245)	-	-	-	(9,866,489)
Total other financing sources (uses)	<u>29,522</u>	<u>(2,980,566)</u>	<u>1,156,141</u>	<u>(718,868)</u>	<u>(4,031,245)</u>	<u>3,675,513</u>	<u>1,580,909</u>	<u>-</u>	<u>(1,288,594)</u>
Net changes in fund balances	(548,084)	21,081	259,632	782,019	(978,729)	87,358	(1,151,650)	(105,260)	(1,633,633)
Fund balances, beginning	<u>2,924,446</u>	<u>394,274</u>	<u>13,507</u>	<u>3,248,470</u>	<u>1,806,576</u>	<u>2,992,450</u>	<u>1,258,212</u>	<u>7,180,599</u>	<u>19,818,534</u>
Fund balances, ending	<u>\$ 2,376,362</u>	<u>\$ 415,355</u>	<u>\$ 273,139</u>	<u>\$ 4,030,489</u>	<u>\$ 827,847</u>	<u>\$ 3,079,808</u>	<u>\$ 106,562</u>	<u>\$ 7,075,339</u>	<u>\$ 18,184,901</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, 2020

Total net changes in fund balances at June 30, 2020 per statement of revenues, expenditures and changes in fund balances \$ (1,633,633)

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	\$ 4,361,395	
Depreciation expense for the year ended June 30, 2020	(1,747,541)	
Loss on sale/disposal of capital assets	<u>(1,880)</u>	2,611,974

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:

Principal paid on long-term debt	2,424,000	
Principal paid on capital lease	61,417	
Principal paid on note payable	93,528	
Amortization of bond premium	18,122	
Loss on bond refunding amortized	(9,285)	
Accretion of bond discount	<u>(5,087)</u>	2,582,695

Difference between interest on long-term debt on modified accrual basis versus interest on long-term debt on accrual basis 123,462

Pension expense not requiring the use of current economic sources and, therefore, not recorded as a fund expenditure (518,539)

Non-employer's contributions to the municipal police employees retirement plan 61,768

Total changes in net position at June 30, 2020 per statement of activities \$ 3,227,727

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

CITY OF YOUNGSVILLE, LOUISIANA

Statement of Net Position
Proprietary Funds
June 30, 2020

	Utility Fund	Sports Complex Fund	Total
ASSETS			
Current assets:			
Cash	\$ 3,873,141	\$ 12,013	\$ 3,885,154
Receivables:			
Accounts receivable, net	881,025	102,209	983,234
Accrued interest receivable	931	-	931
Due from other funds	126,347	647,166	773,513
Other receivables	711	-	711
Prepaid items	57,736	102,823	160,559
Total current assets	<u>4,939,891</u>	<u>864,211</u>	<u>5,804,102</u>
Noncurrent assets:			
Restricted assets -			
Cash	531,214	-	531,214
Interest-bearing deposits, at cost	452,480	-	452,480
Capital assets:			
Land and construction in progress	1,538,236	3,634,335	5,172,571
Other capital assets, net of accumulated depreciation	22,449,054	19,732,524	42,181,578
Total noncurrent assets	<u>24,970,984</u>	<u>23,366,859</u>	<u>48,337,843</u>
Total assets	<u>29,910,875</u>	<u>24,231,070</u>	<u>54,141,945</u>
LIABILITIES			
Current liabilities:			
Cash overdraft	56,979	1,168,698	1,225,677
Accounts payable	92,391	44,102	136,493
Unearned revenue	-	10,025	10,025
Customers' deposits	500,292	-	500,292
Contracts payable	251,680	-	251,680
Retainage payable	29,687	15,663	45,350
Other liabilities	216,411	22,550	238,961
Due to other funds	2,626,143	334,818	2,960,961
Payable from restricted assets -			
Revenue bonds	220,000	-	220,000
Accrued interest	4,305	-	4,305
Total current liabilities	<u>3,997,888</u>	<u>1,595,856</u>	<u>5,593,744</u>
Noncurrent liabilities:			
DEQ water loan payable	317,730	-	317,730
Revenue bonds payable	2,319,000	-	2,319,000
Total noncurrent liabilities	<u>2,636,730</u>	<u>-</u>	<u>2,636,730</u>
Total liabilities	<u>6,634,618</u>	<u>1,595,856</u>	<u>8,230,474</u>
NET POSITION			
Net investment in capital assets	21,109,673	23,351,196	44,460,869
Restricted for debt service	218,617	-	218,617
Unrestricted (deficit)	1,947,967	(715,982)	1,231,985
Total net position	<u>\$ 23,276,257</u>	<u>\$ 22,635,214</u>	<u>\$ 45,911,471</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, 2020

	Utility Fund	Sports Complex Fund	Total
Operating revenues:			
Charges for services -			
Water sales	\$ 2,815,583	\$ -	\$ 2,815,583
Sewer service charges	1,940,352	-	1,940,352
Sanitation charges	1,470,806	-	1,470,806
Recreation	-	773,148	773,148
Miscellaneous	509,778	97,270	607,048
Total operating revenues	<u>6,736,519</u>	<u>870,418</u>	<u>7,606,937</u>
Operating expenses:			
Water department	2,431,123	-	2,431,123
Sewerage department	1,327,848	-	1,327,848
Sanitation department	1,251,256	-	1,251,256
Recreation department	-	2,981,752	2,981,752
Total operating expenses	<u>5,010,227</u>	<u>2,981,752</u>	<u>7,991,979</u>
Operating income (loss)	<u>1,726,292</u>	<u>(2,111,334)</u>	<u>(385,042)</u>
Nonoperating revenues (expenses):			
Ad valorem taxes	469,316	-	469,316
Interest income	4,030	-	4,030
Interest expense	(25,854)	-	(25,854)
Loss on disposal of capital assets	(8,341)	-	(8,341)
Total nonoperating revenues (expenses)	<u>439,151</u>	<u>-</u>	<u>439,151</u>
Income (loss) before contributions and transfers	<u>2,165,443</u>	<u>(2,111,334)</u>	<u>54,109</u>
Capital contributions	<u>13,200</u>	<u>-</u>	<u>13,200</u>
Transfers in (out)			
Transfers in	629,812	2,423,732	3,053,544
Transfers out	(1,764,950)	-	(1,764,950)
Total transfers in (out)	<u>(1,135,138)</u>	<u>2,423,732</u>	<u>1,288,594</u>
Change in net position	1,043,505	312,398	1,355,903
Net position, beginning	<u>22,232,752</u>	<u>22,322,816</u>	<u>44,555,568</u>
Net position, ending	<u>\$23,276,257</u>	<u>\$22,635,214</u>	<u>\$ 45,911,471</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, 2020

	Utility Fund	Sports Complex Fund	Total
Cash flows from operating activities:			
Receipts from customers	\$ 5,824,158	\$ 802,831	\$ 6,626,989
Payments to suppliers	(3,326,350)	(1,502,767)	(4,829,117)
Payments to employees	(636,643)	(574,562)	(1,211,205)
Other receipts	509,778	97,270	607,048
Net cash provided (used) by operating activities	<u>2,370,943</u>	<u>(1,177,228)</u>	<u>1,193,715</u>
Cash flows from noncapital financing activities:			
Increase in cash overdraft	56,979	1,075,095	1,132,074
Cash received from other funds	1,375,752	(1,048,161)	327,591
Transfers from other funds	629,812	2,423,732	3,053,544
Transfers to other funds	(1,764,950)	-	(1,764,950)
Net increase in customer deposits payable	<u>102,970</u>	<u>-</u>	<u>102,970</u>
Net cash provided by noncapital financing activities	<u>400,563</u>	<u>2,450,666</u>	<u>2,851,229</u>
Cash flows from capital and related financing activities:			
Principal paid on revenue bonds payable	(218,000)	-	(218,000)
Proceeds from DEQ water loan payable	186,539	-	186,539
Interest and fiscal charges paid on revenue bonds payable	(26,192)	-	(26,192)
Acquisition of property, plant and equipment	(1,269,677)	(1,261,425)	(2,531,102)
Proceeds from ad valorem taxes	469,316	-	469,316
Net cash used by capital and related financing activities	<u>(844,814)</u>	<u>(1,261,425)</u>	<u>(2,106,239)</u>
Cash flows from investing activities:			
Purchase of interest-bearing deposits	(275,655)	-	(275,655)
Maturities of interest-bearing deposits	273,100	-	273,100
Interest on investments	4,030	-	4,030
Net cash provided by investing activities	<u>1,475</u>	<u>-</u>	<u>1,475</u>
Net increase in cash and cash equivalents	1,928,167	12,013	1,940,180
Cash and cash equivalents, beginning of period	<u>2,653,013</u>	<u>-</u>	<u>2,653,013</u>
Cash and cash equivalents, end of period	<u>\$ 4,581,180</u>	<u>\$ 12,013</u>	<u>\$ 4,593,193</u>

(continued)

CITY OF YOUNGSVILLE, LOUISIANA

Statement of Cash Flows
 Proprietary Funds (Continued)
 For the Year Ended June 30, 2020

	Utility Fund	Sports Complex Fund	Total
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$ 1,726,292	\$ (2,111,334)	\$ (385,042)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	923,596	926,354	1,849,950
Changes in current assets and liabilities:			
(Increase) decrease in accounts receivable	(402,583)	29,683	(372,900)
(Increase) decrease in prepaid items	(1,738)	(8,816)	(10,554)
Increase (decrease) in accounts payable	(90,468)	(45,690)	(136,158)
Increase in other liabilities	215,844	22,550	238,394
Increase in unearned revenue	-	10,025	10,025
Net cash provided (used) by operating activities	<u>\$ 2,370,943</u>	<u>\$ (1,177,228)</u>	<u>\$ 1,193,715</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	\$ 2,032,278	\$ -	\$ 2,032,278
Cash - restricted	444,447	-	444,447
Interest-bearing deposits - restricted	449,388	-	449,388
Less: Interest-bearing deposits with a maturity over three months	<u>(273,100)</u>	<u>-</u>	<u>(273,100)</u>
Total cash and cash equivalents, beginning of period	<u>2,653,013</u>	<u>-</u>	<u>2,653,013</u>
Cash and cash equivalents, end of period -			
Cash - unrestricted	3,873,141	12,013	3,885,154
Cash - restricted	531,214	-	531,214
Interest-bearing deposits - restricted	452,480	-	452,480
Less: Interest-bearing deposits with a maturity over three months	<u>(275,655)</u>	<u>-</u>	<u>(275,655)</u>
Total cash and cash equivalents, end of period	<u>4,581,180</u>	<u>12,013</u>	<u>4,593,193</u>
Net increase in cash and cash equivalents	<u>\$ 1,928,167</u>	<u>\$ 12,013</u>	<u>\$ 1,940,180</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 various general obligation bonds, which are being financed by the 1968, 1999, and Recreational Facilities sales tax revenues, ad valorem tax revenues, and excess revenues of the City.

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.

Municipal Complex Construction Fund –

The Municipal Complex Facility Construction Fund is used to account for the construction of the municipal complex facility using proceeds from grant revenue and issuance of bonds.

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 \$265,119 at June 30, 2020. 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 General 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.

CITY OF YOUNGSVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

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

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.

CITY OF YOUNGSVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Compensated Absences

Vacation and sick leave are recorded as expenditures of the period in which paid. Vacation must be taken in the year accrued and cannot be carried over. Sick leave is accumulated by employees at a rate dependent upon number of years of employment. Although sick leave is available for employees when needed, it does not vest nor is it payable at termination of employment. Therefore, no liability has been recorded in the accounts as of June 30, 2020.

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.

CITY OF YOUNGSVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

- 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.

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.

CITY OF YOUNGSVILLE, LOUISIANA
Notes to Basic Financial Statements (Continued)

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.

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, 2020, 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.

CITY OF YOUNGSVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

(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, 2020, taxes of 11.68 mills were levied on property with assessed valuations totaling \$158,846,674 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 \$1,855,326. The taxes are remitted to the City net of deductions for pension fund contributions.

(3) Sales and Use Taxes

- A. Proceeds of a 1 percent sales and use tax, accounted for in the 1968 Sales Tax Special Revenue Fund, (2020 collections \$3,070,919) 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, 2020, 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.
- 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, (2020 collections \$3,070,919) of which \$1,535,460 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, (2020 collections \$1,535,460) 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, 2020, 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.

CITY OF YOUNGSVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

- D. Proceeds of a 1% percent sales and use tax, accounted for in the Recreational Facility Sales Tax Special Revenue Fund, (2020 collections \$3,070,487) 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, 2020, 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, 2020, the City had cash and interest-bearing deposits (book balances) totaling \$20,409,628 as follows:

Non interest-bearing	\$ 6,320,948
Interest-bearing	13,794,675
Time deposits	<u>294,005</u>
Total	<u>\$20,409,628</u>

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, 2020, are secured as follows:

Bank balances	<u>\$ 19,810,152</u>
Federal deposit insurance	1,081,399
Pledged securities	<u>18,728,753</u>
Total	<u>\$ 19,810,152</u>

Deposits in the amount of \$18,728,753 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.

CITY OF YOUNGSVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

(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, 2020, the City had investments in U.S. treasury obligations in the amount of \$362,862, which represents 100% of the City's investments as of this date. 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, 2020. The City does not have a policy for custodial credit risk.

(6) Receivables

Receivables at June 30, 2020 of \$1,941,505 (\$956,629 and \$984,876 for governmental and business-type activities, respectively) consist of the following:

	General	1968 Sales	Recreational	Proprietary	Total
	Fund	Tax Fund	Facilities	Funds	
			Sales Tax		
Accounts, net	\$ -	\$ -	\$ -	\$ 983,234	\$ 983,234
Sales tax	-	630,981	255,135	-	886,116
Other	70,513	-	-	1,642	72,155
	<u>\$ 70,513</u>	<u>\$ 630,981</u>	<u>\$ 255,135</u>	<u>\$ 984,876</u>	<u>\$ 1,941,505</u>

(7) Restricted Assets

Restricted assets consisted of the following at June 30, 2020:

	Governmental	Business-Type	Total
	Activities	Activities	
Street improvements construction accounts	\$ 334,010	\$ -	\$ 334,010
Municipal construction account	7,134,034	-	7,134,034
Bond and interest sinking account - investments	362,861	-	362,861
Bond and interest sinking account	1,099,077	184,446	1,283,523
Bond reserve account	1,690,095	138,464	1,828,559
Bond contingency account	-	120,012	120,012
Customers' deposits	-	500,292	500,292
Revenue bond construction account	-	37,968	37,968
LCDBG sewer construction account	-	2,512	2,512
Total restricted assets	<u>\$10,620,077</u>	<u>\$ 983,694</u>	<u>\$ 11,603,771</u>

CITY OF YOUNGSVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

(8) Capital Assets

Capital asset activity for the year ended June 30, 2020 was as follows:

	<u>Balance</u> 07/01/19	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> 06/30/20
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 1,288,761	\$ 320,000	\$ -	\$ 1,608,761
Construction in progress	2,404,984	3,361,962	150,637	5,616,309
Other capital assets:				
Buildings	2,461,735	21,880	-	2,483,615
Infrastructure	45,906,570	544,892	-	46,451,462
Equipment	2,761,199	263,298	119,999	2,904,498
Totals	<u>54,823,249</u>	<u>4,512,032</u>	<u>270,636</u>	<u>59,064,645</u>
Less accumulated depreciation				
Buildings	767,895	69,529	-	837,424
Infrastructure	8,830,035	1,328,459	-	10,158,494
Equipment	1,620,366	349,553	118,119	1,851,800
Total accumulated depreciation	<u>11,218,296</u>	<u>1,747,541</u>	<u>118,119</u>	<u>12,847,718</u>
Governmental activities, capital assets, net	<u>\$43,604,953</u>	<u>\$2,764,491</u>	<u>\$ 152,517</u>	<u>\$46,216,927</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	1,040,722	1,861,421	1,442,317	1,459,826
Other capital assets:				
Buildings	243,757	-	-	243,757
Water system	12,680,996	58,516	-	12,739,512
Sewer system	17,510,480	428,323	-	17,938,803
Machinery and equipment	2,353,169	443,303	50,307	2,746,165
Sports complex	22,674,418	1,369,912	-	24,044,330
Totals	<u>60,216,287</u>	<u>4,161,475</u>	<u>1,492,624</u>	<u>62,885,138</u>
Less accumulated depreciation				
Sports complex	3,727,110	851,829	-	4,578,939
Water system	4,255,279	403,302	-	4,658,581
Sewer system	4,953,840	520,294	-	5,474,134
Machinery and equipment	786,776	74,525	41,966	819,335
Total accumulated depreciation	<u>13,723,005</u>	<u>1,849,950</u>	<u>41,966</u>	<u>15,530,989</u>
Business-type activities, capital assets, net	<u>\$46,493,282</u>	<u>\$2,311,525</u>	<u>\$1,450,658</u>	<u>\$47,354,149</u>

CITY OF YOUNGSVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Construction in progress of \$5,616,309 in the governmental activities consists of work performed through June 30, 2020 on various street improvement projects and drainage improvements. Construction in progress of \$1,459,826 in the business-type activities consists of work performed through June 30, 2020 on sewer system improvements.

Depreciation expense was charged to governmental activities as follows:

General government	\$ 67,425
Police	217,986
Streets	<u>1,462,130</u>
Total depreciation expense	<u>\$ 1,747,541</u>

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

Water	\$ 403,302
Sewer	520,294
Recreation	<u>926,354</u>
Total depreciation expense	<u>\$ 1,849,950</u>

(9) Accounts, Salaries, and Other Payables

The accounts, salaries, and other payables consisted of the following at June 30, 2020:

	Governmental Activities	Business-Type Activities	Total
Cash overdraft	\$ -	\$1,225,677	\$ 1,225,677
Accounts	296,534	136,493	433,027
Contracts and retainage	451,453	297,030	748,483
Other liabilities	<u>249,121</u>	<u>238,961</u>	<u>488,082</u>
Totals	<u>\$ 997,108</u>	<u>\$1,898,161</u>	<u>\$ 2,895,269</u>

(10) Long-Term Debt

The following is a summary of long-term debt transactions of the City for the year ended June 30, 2020:

	Governmental Activities			Business-type Activities	
	General Obligation Bonds	Capital Lease	Note Payable	Revenue Bonds	Loan Payable
Balance, 07/01/2019	\$38,167,000	\$ 182,253	\$592,352	\$ 2,757,000	170,432
Additions	-	-	-	-	147,298
Deletions	<u>(2,424,000)</u>	<u>(61,417)</u>	<u>(93,528)</u>	<u>(218,000)</u>	-
Balance, 06/30/2020	<u>\$35,743,000</u>	<u>\$ 120,836</u>	<u>\$498,824</u>	<u>\$ 2,539,000</u>	<u>\$ 317,730</u>

(continued)

CITY OF YOUNGSVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

(10) Long-Term Debt (Continued)

Long-term debt payable at June 30, 2020 is comprised of the following:

General Obligation bonds -		<u>Current Portion</u>
\$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.	\$ 6,830,000	\$ 190,000
\$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.	243,000	243,000
\$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.	255,000	83,000
\$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.	6,600,000	405,000
\$2,800,000 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.	1,900,000	305,000
\$3,495,000 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.	3,110,000	305,000
\$575,000 Water Refunding Bonds, Series 2012 2.35%, dated November 1, 2017; due in annual installments of \$45,000 to \$55,000 through May 1, 2028; interest at 2.350 percent, payable from annual revenues of the City.	430,000	50,000
\$3,500,000 2017 Sales Tax Revenue Bonds, dated December 19, 2017; due in annual installments of \$190,000 to \$280,000 through May 1, 2032; interest at 2.273 percent, payable from 1968 sales tax revenue, rededicated in 2006.	2,865,000	200,000
\$7,640,000 2017 Recreational Facility Sales Tax Revenue Refunding Bonds, date 09/13/2017; due in annual installments of \$405,000 to \$610,000 through December 1, 2032; interest at 2.29 percent, payable from 2012 sales tax revenues.	6,765,000	430,000

(continued)

CITY OF YOUNGSVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

(10) Long-Term Debt (Continued)

		<u>Current Portion</u>
\$7,000,000 Sales Tax Bonds, Series 2018, dated December 20, 2018; due in annual installments of \$255,000 to \$495,000 through December 1, 2038, interest at 4.000 percent, payable from 50 percent of the proceeds of the one percent 1981 sales tax revenues, which were permanently rededicated in 2014, and are transferred to the General Fund.	6,745,000	250,000
Total general obligation bonds payable	35,743,000	<u>\$2,461,000</u>
Add: Unamortized bond premium	344,317	
Less: Unamortized discount on issuance of debt	<u>(66,139)</u>	
Net general obligation bonds payable	<u>\$ 36,021,178</u>	
 Capital leases -		
\$172,235 equipment lease dated May 10, 2018, due in 48 monthly installments of \$3,860, including interest at 3.62%, through July 29, 2022, secured by 1981 sales tax revenues and an asset with a carrying value of \$101,031 at June 30, 2020.	92,965	42,301
\$40,703 equipment lease dated February 22, 2019 due in 3 annual installments of \$14,793, including interest at 6.445%, through July 15, 2021, secured by 1981 sales tax revenues and an asset with a carrying value of \$36,633 at June 30, 2020.	<u>27,871</u>	<u>15,461</u>
Total capital leases	<u>\$ 120,836</u>	<u>\$ 57,762</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>\$498,824</u>	<u>\$ 93,528</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.	<u>\$2,539,000</u>	<u>\$ 220,000</u>

(continued)

CITY OF YOUNGSVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

(10) Long-Term Debt (Continued)

		<u>Current Portion</u>
DEQ water loan payable -		
\$317,730 loan from Louisiana Department payable from utility system revenues.	<u>\$ 317,730</u>	<u>\$ -</u>

As of June 30, 2020, the city borrowed \$317,730, from the Louisiana Department of Environmental Quality as an interim loan to finance the costs of wastewater (sewer) treatment plant and upgrades. Upon completion of the project, the City will issue taxable water revenue bonds for permanent financing of the project.

The annual debt service requirements to maturity for all bonds, capital leases, and note payables as of June 30, 2020 are as follows:

Year Ending June 30,	Governmental Activities					Business-type Activities	
	Bonds		Capital Leases		Note Payable	Bonds	
	Principal payments	Interest payments	Principal payments	Interest payments	Principal payments	Principal payments	Interest payments
2021	2,461,000	1,132,195	57,762	4,264	93,528	220,000	24,121
2022	2,285,000	1,071,959	59,226	1,882	93,528	222,000	22,031
2023	2,347,000	1,013,078	3,848	11	93,528	224,000	19,922
2024	2,320,000	950,540	-	-	93,528	226,000	67,251
2025-2029	11,555,000	3,747,463	-	-	124,712	1,165,000	13,709
2030-2034	9,205,000	2,091,129	-	-	-	482,000	-
2035-2039	4,190,000	815,841	-	-	-	-	-
2040-2044	1,380,000	103,390	-	-	-	-	-
Total	<u>\$35,743,000</u>	<u>\$ 10,925,595</u>	<u>\$120,836</u>	<u>\$ 6,157</u>	<u>\$498,824</u>	<u>\$2,539,000</u>	<u>\$147,034</u>

(11) Debt Defeasance

On September 14, 2016, the City defeased \$3,160,000 of Series 2009 Sales Tax Revenue Bonds by creating a separate irrevocable trust fund. On September 13, 2017, the City defeased \$8,520,000 of Series 2012 Recreation Sales Tax Revenue 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, 2020, the amount of defeased debt outstanding but removed from the financial statements amounted to \$2,915,000 of Series 2009 Sales Tax Revenue Bonds and \$7,265,000 of Series 2012 Recreation Sales Tax Revenue Bonds.

CITY OF YOUNGSVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

(12) Flow of Funds: Restrictions on Use – Utilities and Sales Tax Revenues

Utility Revenue Bonds:

- A. Under the terms of the bond indenture 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.

During the fiscal year ending June 30, 2018, the City issued \$575,000 of Excess Revenue Bonds, Series 2017. The proceeds from the bonds were used to purchase land and to pay off the Water Revenue Bonds Series 2009.

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, 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 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.

CITY OF YOUNGSVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Under the terms of the bond indenture on outstanding Sales Tax Bonds dated December 20, 2018, half of the proceeds derived from the levy and collection of the 1981 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 – 2018", 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, 2020.

(13) 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.

CITY OF YOUNGSVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

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.

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.

CITY OF YOUNGSVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

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.

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, 2020, total contributions due for employers and employees were 42.5%. 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 32.5% and 10%, respectively.

Net Pension Liability:

At June 30, 2020, the City reported a liability of \$2,724,793 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019 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, 2019, the City's proportion was .300032%, which was an increase of .075464% from its proportion measured as of June 30, 2018.

Since the measurement date of the net pension liability was June 30, 2019, 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.

CITY OF YOUNGSVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

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:

Date of experience study on which significant assumptions are based	7/1/2009 - 6/30/2014
Actuarial cost method	Entry Age Normal Cost
Expected remaining service lives	4 years
Investment rate of return	7.125%, net of investment expense
Inflation rate	2.50%
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.

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.

CITY OF YOUNGSVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

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	48.5%	3.28%
Fixed income	33.5%	0.80%
Alternative	18.0%	1.06%
Other	0.0%	0.00%
	<u>100%</u>	<u>5.14%</u>
Inflation		<u>2.75%</u>
Expected nominal return		<u>7.89%</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, 2020, the City recognized \$871,696 in pension expense related to its participation in MPERS.

CITY OF YOUNGSVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

At June 30, 2020, 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	\$ 5,717	\$ 83,830
Changes of assumptions	152,692	-
Change in proportion and differences between the employer's contributions and the employer's proportionate share of contributions	661,346	-
Net differences between projected and actual earnings on plan investments	177,025	-
Contributions subsequent to the measurement date	<u>351,653</u>	-
Total	<u>\$1,348,433</u>	<u>\$ 83,830</u>

Deferred outflows of resources of \$351,653 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, 2021. 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>	
2021	\$ 406,556
2022	246,889
2023	215,312
2024	<u>44,193</u>
	<u>\$ 912,950</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 7.125% for the year ended June 30, 2019, which is a decrease of .075% from the prior year.

CITY OF YOUNGSVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

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

The following presents MPERS's net pension liability of the participating employers calculated using the discount rate of 7.125%, 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 6.125%	Current Discount Rate 7.125%	1% Increase 8.125%
Net Pension Liability	<u>\$ 3,796,534</u>	<u>\$ 2,724,793</u>	<u>\$ 1,825,709</u>

Payables to the Pension Plan

For the year ended June 30, 2020, the City had remitted all required contributions to MPERS, therefore at June 30, 2020, the City's payable to the plan was -0-.

(14) 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, 2020, 2019, and 2018 amounted to \$252,564, \$225,512, and \$214,488, 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, 2020, the City and employees contributed \$140,746 and \$105,854 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, 2020 was \$799,335.

CITY OF YOUNGSVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

(15) Departmental Information for the Enterprise Funds

The City of Youngsville maintains two enterprise funds. The Utility Fund has three departments which provide water, sewerage, and sanitation services. The Sports Complex Fund accounts for the operation of the Sports Complex facility. Segment information for the year ended June 30, 2020, was as follows:

	Water Department	Sewerage Department	Sanitation Department	Total Utility Fund	Sports Complex Fund
Operating revenues	<u>\$ 3,158,002</u>	<u>\$ 2,089,657</u>	<u>\$ 1,488,860</u>	<u>\$ 6,736,519</u>	<u>\$ 870,418</u>
Operating expenses:					
Depreciation	403,302	520,294	-	923,596	926,354
Other	<u>2,027,821</u>	<u>807,554</u>	<u>1,251,256</u>	<u>4,086,631</u>	<u>2,055,398</u>
Total expenses	<u>2,431,123</u>	<u>1,327,848</u>	<u>1,251,256</u>	<u>5,010,227</u>	<u>2,981,752</u>
Operating income (loss)	<u>\$ 726,879</u>	<u>\$ 761,809</u>	<u>\$ 237,604</u>	<u>\$ 1,726,292</u>	<u>\$ (2,111,334)</u>

(16) Compensation of City Officials

A detail of compensation paid to the Mayor and City Council for the year ended June 30, 2020 follows:

Ken Ritter, Mayor	\$ 78,000
City Council:	
Jamison Abshire	14,500
Grayson Bolgiano	13,000
Matthew Romero	13,000
Kenneth Stansbury	13,000
Gary Williams	13,000
	<u>\$ 144,500</u>

(17) 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, 2020 follows:

Salary	\$ 78,000
Benefits - insurance	6,162
Benefits - retirement	3,900
Car allowance	12,000
Travel	1,465
Cell phone	1,200
Office expense	177
	<u>\$ 102,904</u>

CITY OF YOUNGSVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

(18) 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.

(19) Pending Litigation

At June 30, 2020, 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.

(20) On-Behalf Payments of Salaries

During the year ended June 30, 2020, the State of Louisiana paid the City's policemen \$156,693 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.

(21) Interfund Transactions

A. Receivables and Payables

Interfund receivables and payables consisted of the following at June 30, 2020:

	<u>Receivable</u>	<u>Payable</u>
Major governmental funds:		
General Fund	\$ 2,943,101	\$ 1,092,079
1968 Sales Tax Special Revenue Fund	350,961	1,705,976
1981 Sales Tax Special Revenue Fund	380,272	710,290
1999 Sales Tax Special Revenue Fund	2,045,011	4,682
Recreational Facility Sales Tax Special Revenue	393,929	605,573
General Obligation Bonds Fund	246,158	318,382
Street Improvements and Construction Fund	567,282	302,284
Total governmental funds	<u>6,926,714</u>	<u>4,739,266</u>
Proprietary Funds:		
Enterprise Fund	126,347	2,626,143
Sports Complex Fund	647,166	334,818
Total proprietary funds	<u>773,513</u>	<u>2,960,961</u>
Total	<u>\$ 7,700,227</u>	<u>\$ 7,700,227</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, 2020:

	<u>Transfers In</u>	<u>Transfers Out</u>
Major governmental funds:		
General Fund	\$ 2,008,200	\$ 1,978,678
1968 Sales Tax Special Revenue Fund	-	2,980,566
1981 Sales Tax Special Revenue Fund	1,313,273	157,132
1999 Sales Tax Special Revenue Fund	-	718,868
Recreational Facility Sales Tax Special Revenue	-	4,031,245
General Obligation Bonds Fund	3,675,513	-
Street Improvements and Construction Fund	<u>1,580,909</u>	<u>-</u>
Total governmental funds	<u>8,577,895</u>	<u>9,866,489</u>
Proprietary Funds:		
Enterprise Fund	629,812	1,764,950
Sports Complex Fund	<u>2,423,732</u>	<u>-</u>
Total proprietary funds	<u>3,053,544</u>	<u>1,764,950</u>
Total	<u>\$11,631,439</u>	<u>\$ 11,631,439</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.

(22) 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 \$4,540 as a result of the tax abatements.

(23) Uncertainties Arising During and After Financial Statement Date

As a result of the spread of the COVID 19 coronavirus, economic uncertainties have arisen which may have and may continue to impact the City's ongoing operations. The extent and severity of the potential impact on future operations is unknown at this time.

**REQUIRED
SUPPLEMENTARY INFORMATION**

CITY OF YOUNGSVILLE, LOUISIANA
General Fund

Budgetary Comparison Schedule
For the Year Ended June 30, 2020

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 3,518,933	\$ 3,513,788	\$ 3,594,870	\$ 81,082
Licenses and permits	733,869	895,616	902,050	6,434
Intergovernmental	650,708	330,504	342,775	12,271
Fines and forfeits	71,214	102,412	96,401	(6,011)
Miscellaneous	51,755	171,682	174,063	2,381
Total revenues	<u>5,026,479</u>	<u>5,014,002</u>	<u>5,110,159</u>	<u>96,157</u>
Expenditures:				
Current -				
General government	1,452,973	1,587,974	1,592,830	(4,856)
Public safety:				
Fire	1,260,539	1,283,775	1,266,906	16,869
Streets	1,369,064	1,503,380	1,465,863	37,517
Capital outlay	90,631	1,391,968	1,343,797	48,171
Debt service	-	24,492	18,369	6,123
Total expenditures	<u>4,173,207</u>	<u>5,791,589</u>	<u>5,687,765</u>	<u>103,824</u>
Excess (deficiency) of revenues over expenditures	<u>853,272</u>	<u>(777,587)</u>	<u>(577,606)</u>	<u>199,981</u>
Other financing sources (uses):				
Transfer from 1968 Sales Tax Fund	-	175,285	175,285	-
Transfer from Recreational Sales Tax Fund	-	732,915	732,915	-
Transfer from Utility Fund	-	1,100,000	1,100,000	-
Transfer to 1981 Sales Tax Fund	(1,010,000)	(1,150,000)	(1,150,000)	-
Transfer to Debt Service Fund	(548,969)	(787,194)	(787,194)	-
Transfer to Capital Projects Fund	-	(41,484)	(41,484)	-
Total other financing sources (uses)	<u>(1,558,969)</u>	<u>29,522</u>	<u>29,522</u>	<u>-</u>
Net change in fund balance	<u>(705,697)</u>	<u>(748,065)</u>	<u>(548,084)</u>	<u>199,981</u>
Fund balance, beginning	<u>2,924,446</u>	<u>2,924,446</u>	<u>2,924,446</u>	<u>-</u>
Fund balance, ending	<u>\$ 2,218,749</u>	<u>\$ 2,176,381</u>	<u>\$ 2,376,362</u>	<u>\$ 199,981</u>

CITY OF YOUNGSVILLE, LOUISIANA
1968 Sales Tax Special Revenue Fund

Budgetary Comparison Schedule
For the Year Ended June 30, 2020

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$3,021,650	\$ 2,974,539	\$3,070,919	\$ 96,380
Miscellaneous - interest	7,538	3,661	2,266	(1,395)
Total revenues	<u>3,029,188</u>	<u>2,978,200</u>	<u>3,073,185</u>	<u>94,985</u>
Expenditures:				
Current -				
General government:				
Sales tax collection fees	22,201	23,748	23,511	237
Professional fees	-	13,480	11,289	2,191
	<u>22,201</u>	<u>37,228</u>	<u>34,800</u>	<u>2,428</u>
Debt service				
Retirement of principal	12,420	36,738	36,738	-
Total expenditures	<u>34,621</u>	<u>73,966</u>	<u>71,538</u>	<u>2,428</u>
Excess of revenues over expenditures	<u>2,994,567</u>	<u>2,904,234</u>	<u>3,001,647</u>	<u>97,413</u>
Other financing uses:				
Transfer to 1981 Sales Tax Fund	-	(163,273)	(163,273)	-
Transfer to General Fund	-	(175,285)	(175,285)	-
Transfer to Debt Service Fund	(1,397,988)	(1,442,583)	(1,442,583)	-
Transfer to Street Improvement and Construction	(1,986,662)	(1,199,425)	(1,199,425)	-
Total other financing uses	<u>(3,384,650)</u>	<u>(2,980,566)</u>	<u>(2,980,566)</u>	<u>-</u>
Net change in fund balance	(390,083)	(76,332)	21,081	97,413
Fund balance, beginning	<u>394,274</u>	<u>394,274</u>	<u>394,274</u>	<u>-</u>
Fund balance, ending	<u>\$ 4,191</u>	<u>\$ 317,942</u>	<u>\$ 415,355</u>	<u>\$ 97,413</u>

CITY OF YOUNGSVILLE, LOUISIANA
1981 Sales Tax Special Revenue Fund

Budgetary Comparison Schedule
For the Year Ended June 30, 2020

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
- Taxes	\$ 1,486,092	\$ 1,487,270	\$ 1,535,460	\$ 48,190
Intergovernmental -				
State of Louisiana:				
Police supplemental pay	156,000	155,329	156,693	1,364
Local:				
Lafayette Parish School Board	238,313	262,504	245,494	(17,010)
LACE fines and forfeitures	804,000	518,900	519,456	556
Miscellaneous	5,000	15,605	16,798	1,193
Total revenues	<u>2,689,405</u>	<u>2,439,608</u>	<u>2,473,901</u>	<u>34,293</u>
Expenditures:				
Current -				
General government	11,267	24,373	21,241	3,132
Public safety:				
Police	3,344,416	3,258,887	3,154,906	103,981
Capital outlay	105,000	106,090	109,276	(3,186)
Debt service	-	79,503	84,987	(5,484)
Total expenditures	<u>3,460,683</u>	<u>3,468,853</u>	<u>3,370,410</u>	<u>98,443</u>
Deficiency of revenues over expenditures	<u>(771,278)</u>	<u>(1,029,245)</u>	<u>(896,509)</u>	<u>132,736</u>
Other financing sources:				
Transfer to Debt Service	(218,316)	(157,132)	(157,132)	-
Transfer from 1968 Sales Tax	-	163,273	163,273	-
Transfer from General Fund	1,010,000	1,150,000	1,150,000	-
Total other financing sources	<u>791,684</u>	<u>1,156,141</u>	<u>1,156,141</u>	<u>-</u>
Net change in fund balance	20,406	126,896	259,632	132,736
Fund balance, beginning	<u>13,507</u>	<u>13,507</u>	<u>13,507</u>	<u>-</u>
Fund balance, ending	<u>\$ 33,913</u>	<u>\$ 140,403</u>	<u>\$ 273,139</u>	<u>\$ 132,736</u>

CITY OF YOUNGSVILLE, LOUISIANA
1999 Sales Tax Special Revenue Fund

Budgetary Comparison Schedule
For the Year Ended June 30, 2020

	Budget		Actual	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues:				
Taxes	\$ 1,486,123	\$ 1,487,270	\$ 1,535,460	\$ 48,190
Miscellaneous - interest	1,493	2,965	2,851	(114)
Total revenues	<u>1,487,616</u>	<u>1,490,235</u>	<u>1,538,311</u>	<u>48,076</u>
Expenditures:				
Current -				
General government:				
Sales tax collection fees	11,267	11,873	11,756	117
Professional fees	7,398	8,633	7,247	1,386
Office expenditures	-	-	52	(52)
Total general government	<u>18,665</u>	<u>20,506</u>	<u>19,055</u>	<u>1,451</u>
Debt service -				
Retirement of principal	-	18,369	18,369	-
Total expenditures	<u>18,665</u>	<u>38,875</u>	<u>37,424</u>	<u>1,451</u>
Excess of revenues over expenditures	<u>1,468,951</u>	<u>1,451,360</u>	<u>1,500,887</u>	<u>49,527</u>
Other financing uses:				
Transfer to Debt Service Fund	(88,160)	(94,006)	(94,006)	-
Transfer to Utility Fund	(600,000)	(624,862)	(624,862)	-
Total other financing uses	<u>(688,160)</u>	<u>(718,868)</u>	<u>(718,868)</u>	<u>-</u>
Net change in fund balance	780,791	732,492	782,019	49,527
Fund balance, beginning	<u>3,248,470</u>	<u>3,248,470</u>	<u>3,248,470</u>	<u>-</u>
Fund balance, ending	<u>\$ 4,029,261</u>	<u>\$ 3,980,962</u>	<u>\$ 4,030,489</u>	<u>\$ 49,527</u>

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

Budgetary Comparison Schedule
For the Year Ended June 30, 2020

	Budget		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
Revenues:				
Taxes	\$ 3,031,466	\$ 2,974,539	\$ 3,070,919	\$ 96,380
Miscellaneous - interest	21,339	16,943	12,972	(3,971)
Total revenues	<u>3,052,805</u>	<u>2,991,482</u>	<u>3,083,891</u>	<u>92,409</u>
Expenditures:				
Current -				
General government:				
Sales tax collection fees	25,706	23,748	23,511	237
Professional fees	4,236	7,511	6,181	1,330
Total general government	29,942	31,259	29,692	1,567
Debt service -				
Principal	-	1,684	1,683	1
Total expenditures	<u>29,942</u>	<u>32,943</u>	<u>31,375</u>	<u>1,568</u>
Excess of revenues over expenditures	<u>3,022,863</u>	<u>2,958,539</u>	<u>3,052,516</u>	<u>93,977</u>
Other financing uses:				
Transfer to General Fund	-	(732,915)	(732,915)	-
Transfer to Debt Service Fund	(1,195,091)	(1,194,598)	(1,194,598)	-
Transfer to Sports Complex Fund	(2,046,025)	(2,103,732)	(2,103,732)	-
Total other financing uses	<u>(3,241,116)</u>	<u>(4,031,245)</u>	<u>(4,031,245)</u>	<u>-</u>
Net change in fund balance	(218,253)	(1,072,706)	(978,729)	93,977
Fund balance, beginning	<u>1,806,576</u>	<u>1,806,576</u>	<u>1,806,576</u>	<u>-</u>
Fund balance, ending	<u>\$ 1,588,323</u>	<u>\$ 733,870</u>	<u>\$ 827,847</u>	<u>\$ 93,977</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, 2020*

<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>
2020	0.300032%	\$ 2,724,793	\$ 1,082,008	251.8%	71.01%
2019	0.224568%	1,898,512	878,697	216.1%	71.89%
2018	0.170263%	1,486,468	727,925	204.2%	70.08%
2017	0.167798%	1,572,740	506,611	310.4%	66.04%
2016	0.081512%	638,651	470,515	135.7%	70.73%
2015	0.044360%	277,519	216,095	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, 2020

<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>
2020	\$ 351,653	\$ 351,653	-	\$1,082,008	32.50%
2019	283,380	283,380	-	878,697	32.25%
2018	223,834	223,834	-	727,925	30.75%
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, 2020.

CITY OF YOUNGSVILLE, LOUISIANA

Notes to the Required Supplementary Information (Continued)

(3) Excess of Expenditures Over Appropriations

For the year ended June 30, 2020, the following funds had actual expenditures over appropriations, at the functional level, as follows:

Fund and Function	Budget	Actual	Excess
General Fund:			
Administrative	\$ 1,587,974	\$ 1,592,830	\$ (4,856)
1981 Sales Tax Special Revenue Fund:			
Capital Outlay	106,090	109,276	(3,186)
Debt Service	79,503	84,987	(5,484)
Capital Projects Fund - Streets Improvements			
Capital Outlay - Streets	2,696,060	2,701,391	(5,331)

OTHER SUPPLEMENTARY INFORMATION

CITY OF YOUNGSVILLE, LOUISIANA

Statement of Net Position

June 30, 2020

With Comparative Totals for June 30, 2019

	2020			2019 Total
	Governmental Activities	Business-Type Activities	Total	
ASSETS				
Current assets:				
Cash and interest-bearing deposits	\$ 5,283,565	\$ 3,885,154	\$ 9,168,719	\$ 7,792,805
Receivables, net	956,629	984,876	1,941,505	1,484,012
Internal balances	2,187,448	(2,187,448)	-	-
Inventory	-	-	-	5,790
Prepaid items	134,290	160,559	294,849	268,602
Total current assets	<u>8,561,932</u>	<u>2,843,141</u>	<u>11,405,073</u>	<u>9,551,209</u>
Noncurrent assets:				
Restricted assets:				
Cash and interest-bearing deposits	10,257,215	983,694	11,240,909	12,921,229
Investments	362,862	-	362,862	359,600
Capital assets:				
Land and construction in progress	7,225,070	5,172,571	12,397,641	8,457,212
Capital assets, net	38,991,857	42,181,578	81,173,435	81,641,023
Total noncurrent assets	<u>56,837,004</u>	<u>48,337,843</u>	<u>105,174,847</u>	<u>103,379,064</u>
Total assets	<u>65,398,936</u>	<u>51,180,984</u>	<u>116,579,920</u>	<u>112,930,273</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred loss on bond refunding	102,131	-	102,131	111,416
Deferred outflows related to pensions	1,348,433	-	1,348,433	992,111
Total deferred outflows	<u>1,450,564</u>	<u>-</u>	<u>1,450,564</u>	<u>1,103,527</u>
LIABILITIES				
Current liabilities:				
Accounts, salaries and other payables	997,108	1,898,161	2,895,269	1,621,821
Unearned revenue	-	10,025	10,025	-
Customers' deposits	-	500,292	500,292	397,322
Capital lease payable	57,762	-	57,762	62,333
Note payable	93,528	-	93,528	93,528
Bonds payable	2,461,000	220,000	2,681,000	2,642,000
Accrued interest	242,247	4,305	246,552	370,352
Total current liabilities	<u>3,851,645</u>	<u>2,632,783</u>	<u>6,484,428</u>	<u>5,187,356</u>
Noncurrent liabilities:				
Capital lease payable	63,074	-	63,074	119,920
Note payable	405,296	-	405,296	498,824
DEQ water loan payable	-	317,730	317,730	170,432
Bonds payable	33,560,178	2,319,000	35,879,178	38,573,213
Net pension liability	2,724,793	-	2,724,793	1,898,512
Total noncurrent liabilities	<u>36,753,341</u>	<u>2,636,730</u>	<u>39,390,071</u>	<u>41,260,901</u>
Total liabilities	<u>40,604,986</u>	<u>5,269,513</u>	<u>45,874,499</u>	<u>46,448,257</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to pensions	83,830	-	83,830	97,018
NET POSITION				
Net investment in capital assets	17,358,945	44,460,869	61,819,814	57,492,915
Restricted for sales tax dedications	5,477,965	-	5,477,965	5,400,940
Restricted for debt service	2,837,561	218,617	3,056,178	2,873,331
Unrestricted	486,213	1,231,985	1,718,198	1,721,339
Total net position	<u>\$ 26,160,684</u>	<u>\$45,911,471</u>	<u>\$ 72,072,155</u>	<u>\$ 67,488,525</u>

CITY OF YOUNGSVILLE, LOUISIANA

Balance Sheet
 General and Special Revenue Funds
 June 30, 2020

With Comparative Totals for June 30, 2019

	General		1968 Sales Tax Revenue		1981 Sales Tax Revenue		1999 Sales Tax Revenue		Recreational Facility Sales Tax Revenue	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
ASSETS										
Cash and interest-bearing deposits	\$ 739,969	\$ 874,648	\$ 1,144,158	\$ 1,553,651	\$ 623,882	\$ 286,451	\$ 1,990,820	\$ 1,739,472	\$ 784,736	\$ 1,306,305
Receivables:										
Taxes	-	-	630,981	558,288	-	-	-	-	255,135	226,235
Due from other funds	2,943,101	2,627,217	350,961	472,519	380,272	674,694	2,045,011	1,511,543	393,929	434,405
Other	70,513	48,272	-	-	-	-	-	-	-	-
Inventory	-	5,790	-	-	-	-	-	-	-	-
Prepaid items	65,425	56,710	-	-	68,865	61,887	-	-	-	-
Total assets	<u>\$3,819,008</u>	<u>\$3,612,637</u>	<u>\$2,126,100</u>	<u>\$2,584,458</u>	<u>\$1,073,019</u>	<u>\$1,023,032</u>	<u>\$4,035,831</u>	<u>\$3,251,015</u>	<u>\$1,433,800</u>	<u>\$1,966,945</u>
LIABILITIES AND FUND BALANCES										
Liabilities -										
Accounts payable	\$ 151,059	\$ 214,421	\$ 4,769	\$ 895	\$ 8,115	\$ 70,002	\$ 660	\$ 529	\$ 380	\$ 160,082
Contracts payable	31,862	-	-	-	-	-	-	-	-	-
Accrued liabilities	167,646	95,325	-	-	81,475	47,326	-	-	-	-
Due to other funds	1,092,079	378,445	1,705,976	2,189,289	710,290	892,197	4,682	2,016	605,573	287
Total liabilities	<u>1,442,646</u>	<u>688,191</u>	<u>1,710,745</u>	<u>2,190,184</u>	<u>799,880</u>	<u>1,009,525</u>	<u>5,342</u>	<u>2,545</u>	<u>605,953</u>	<u>160,369</u>
Fund balances -										
Nonspendable (prepaid items)	65,425	56,710	-	-	68,865	61,887	-	-	-	-
Restricted for sales tax dedications	-	-	415,355	394,274	204,274	(48,380)	4,030,489	3,248,470	827,847	1,806,576
Unassigned	2,310,937	2,867,736	-	-	-	-	-	-	-	-
Total fund balances	<u>2,376,362</u>	<u>2,924,446</u>	<u>415,355</u>	<u>394,274</u>	<u>273,139</u>	<u>13,507</u>	<u>4,030,489</u>	<u>3,248,470</u>	<u>827,847</u>	<u>1,806,576</u>
Total liabilities and fund balances	<u>\$3,819,008</u>	<u>\$3,612,637</u>	<u>\$2,126,100</u>	<u>\$2,584,458</u>	<u>\$1,073,019</u>	<u>\$1,023,032</u>	<u>\$4,035,831</u>	<u>\$3,251,015</u>	<u>\$1,433,800</u>	<u>\$1,966,945</u>

CITY OF YOUNGSVILLE, LOUISIANA
General Fund

Budgetary Comparison Schedule
For the Year Ended June 30, 2020
With Comparative Amounts for the Year Ended June 30, 2019

	Budget		Actual	Variance with	2019
	Original	Final		Final Budget Positive (Negative)	
Revenues:					
Taxes	\$3,518,933	\$3,513,788	\$ 3,594,870	\$ 81,082	\$ 3,441,995
Licenses and permits	733,869	895,616	902,050	6,434	827,721
Intergovernmental	650,708	330,504	342,775	12,271	21,835
Fines and forfeits	71,214	102,412	96,401	(6,011)	60,335
Miscellaneous	51,755	171,682	174,063	2,381	60,416
Total revenues	<u>5,026,479</u>	<u>5,014,002</u>	<u>5,110,159</u>	<u>96,157</u>	<u>4,412,302</u>
Expenditures:					
Current -					
General government	1,452,973	1,587,974	1,592,830	(4,856)	1,415,555
Public safety:					
Fire	1,260,539	1,283,775	1,266,906	16,869	1,000,305
Streets	1,369,064	1,503,380	1,465,863	37,517	1,183,914
Capital outlay	90,631	1,391,968	1,343,797	48,171	612,890
Debt service	-	24,492	18,369	6,123	18,369
Total expenditures	<u>4,173,207</u>	<u>5,791,589</u>	<u>5,687,765</u>	<u>103,824</u>	<u>4,231,033</u>
Excess (deficiency) of revenues over expenditures	<u>853,272</u>	<u>(777,587)</u>	<u>(577,606)</u>	<u>199,981</u>	<u>181,269</u>
Other financing sources (uses):					
Transfer from 1968 Sales Tax Fund	-	175,285	175,285	-	984,617
Transfer from Recreational Sales Tax Fund	-	732,915	732,915	-	-
Transfer from Utility Fund	-	1,100,000	1,100,000	-	-
Transfer to 1981 Sales Tax Fund	(1,010,000)	(1,150,000)	(1,150,000)	-	(535,379)
Transfer to Debt Service Fund	(548,969)	(787,194)	(787,194)	-	(507,738)
Transfer to Capital Projects Fund	-	(41,484)	(41,484)	-	(49,335)
Transfer to Sports Complex Fund	-	-	-	-	(32,358)
Total other financing sources (uses)	<u>(1,558,969)</u>	<u>29,522</u>	<u>29,522</u>	<u>-</u>	<u>(140,193)</u>
Net change in fund balance	(705,697)	(748,065)	(548,084)	199,981	41,076
Fund balance, beginning	<u>2,924,446</u>	<u>2,924,446</u>	<u>2,924,446</u>	<u>-</u>	<u>2,883,370</u>
Fund balance, ending	<u>\$2,218,749</u>	<u>\$2,176,381</u>	<u>\$ 2,376,362</u>	<u>\$ 199,981</u>	<u>\$ 2,924,446</u>

CITY OF YOUNGSVILLE, LOUISIANA
General Fund

Budgetary Comparison Schedule - Revenues
For the Year Ended June 30, 2020
With Comparative Amounts for the Year Ended June 30, 2019

	2020				
	Budget		Actual	Variance with	2019 Actual
	Original	Final		Final Budget Positive (Negative)	
Taxes:					
Ad valorem taxes	\$ 1,322,683	\$ 1,298,518	\$ 1,356,990	\$ 58,472	\$ 1,274,252
Rededication from 1981 Sales Tax	1,486,123	1,487,270	1,535,460	48,190	1,451,247
Hotel motel sales tax	3,453	2,943	2,857	(86)	3,198
Franchise - electric	533,787	554,135	576,145	22,010	555,582
Franchise - gas	106,023	99,079	67,683	(31,396)	100,161
Franchise - cable	66,864	71,843	55,735	(16,108)	57,555
Total taxes	<u>3,518,933</u>	<u>3,513,788</u>	<u>3,594,870</u>	<u>81,082</u>	<u>3,441,995</u>
Licenses and permits:					
Occupational licenses	14,307	10,000	13,575	3,575	12,450
Insurance occupational licenses	214,169	282,524	286,780	4,256	318,905
Codes and permits	505,393	603,092	601,695	(1,397)	496,366
Total licenses and permits	<u>733,869</u>	<u>895,616</u>	<u>902,050</u>	<u>6,434</u>	<u>827,721</u>
Intergovernmental:					
Federal Grant -					
FEMA	-	104,637	97,798	(6,839)	-
Department of Transportation	629,165	-	-	-	-
State of Louisiana -					
Beer taxes	15,493	5,867	23,161	17,294	12,535
State grants	6,050	220,000	221,816	1,816	9,300
Total intergovernmental	<u>650,708</u>	<u>330,504</u>	<u>342,775</u>	<u>12,271</u>	<u>21,835</u>
Fines and forfeits:					
Fines and court costs	71,214	102,412	96,401	(6,011)	60,335
Miscellaneous:					
Interest	-	3,451	3,236	(215)	2,375
Other sources	51,755	168,231	170,827	2,596	58,041
Total miscellaneous	<u>51,755</u>	<u>171,682</u>	<u>174,063</u>	<u>2,381</u>	<u>60,416</u>
Total revenues	<u>\$ 5,026,479</u>	<u>\$ 5,014,002</u>	<u>\$ 5,110,159</u>	<u>\$ 96,157</u>	<u>\$ 4,412,302</u>

CITY OF YOUNGSVILLE, LOUISIANA
General Fund

Budgetary Comparison Schedule - Expenditures
For the Year Ended June 30, 2020
With Comparative Amounts for the Year Ended June 30, 2019

	2020		Actual	Variance with Final Budget Positive (Negative)	2019 Actual
	Budget				
	Original	Final			
General government:					
Administrative -					
Compensation - mayor and council	\$ 144,500	\$ 144,500	\$ 144,500	\$ -	\$ 123,966
Other salaries	178,765	211,085	218,442	(7,357)	189,680
Payroll taxes and retirement	42,177	46,437	43,222	3,215	37,073
Group insurance	20,382	21,401	22,300	(899)	19,322
Utilities and telephone	31,900	31,213	31,541	(328)	29,130
Mayor's expense	-	14,660	14,853	(193)	13,763
Auto allowance	24,360	11,333	12,000	(667)	11,272
Advertising	19,000	18,869	22,423	(3,554)	17,942
Repairs and maintenance	38,216	18,147	15,397	2,750	11,102
Dues and publications	11,200	19,055	16,191	2,864	8,923
Professional fees	86,300	121,207	121,465	(258)	79,371
General insurance	59,100	67,000	66,106	894	66,688
Office supplies	28,100	17,299	21,038	(3,739)	26,618
Computer expense	60,000	60,285	59,076	1,209	55,923
Convention expense	8,500	1,976	1,744	232	8,429
Community relations	47,000	51,669	50,899	770	41,569
Uniform expense	1,900	2,117	2,117	-	443
Engineering	245,000	215,779	211,698	4,081	340,930
Contract services	92,400	32,368	30,106	2,262	31,240
Annexation	12,000	24,441	23,475	966	14,809
Mardi Gras expense	20,000	57,976	49,035	8,941	20,595
Collection expense	11,500	11,873	11,756	117	10,908
Miscellaneous	3,500	2,045	2,030	15	16,616
Total administrative	<u>1,185,800</u>	<u>1,202,735</u>	<u>1,191,414</u>	<u>11,321</u>	<u>1,176,312</u>
Code enforcement -					
Salaries and related expenses	-	-	-	-	199
Inspection fees	224,000	344,072	355,394	(11,322)	198,916
Total code enforcement	<u>224,000</u>	<u>344,072</u>	<u>355,394</u>	<u>(11,322)</u>	<u>199,115</u>
Magistrate court -					
Professional fees and other salaries	9,730	7,047	6,880	167	21,313
Payroll taxes and retirement	1,043	864	849	15	1,008
Court costs	21,900	33,256	38,293	(5,037)	17,807
Dues and subscriptions	10,500	-	-	-	-
Total magistrate court	<u>43,173</u>	<u>41,167</u>	<u>46,022</u>	<u>(4,855)</u>	<u>40,128</u>
Total general government	<u>1,452,973</u>	<u>1,587,974</u>	<u>1,592,830</u>	<u>(4,856)</u>	<u>1,415,555</u>

(continued)

CITY OF YOUNGSVILLE, LOUISIANA
General Fund

Budgetary Comparison Schedule - Expenditures (Continued)
For the Year Ended June 30, 2020
With Comparative Amounts for the Year Ended June 30, 2019

	2020			Variance with Final Budget Positive (Negative)	2019 Actual
	Budget		Actual		
	Original	Final			
Public safety:					
Fire -					
Appropriation to volunteer fire department for operations	1,260,539	1,283,775	1,266,906	16,869	1,000,305
Streets and drainage:					
Salaries	213,746	347,968	339,076	8,892	308,268
Payroll taxes and retirement	26,518	44,595	43,571	1,024	38,894
Group insurance	54,600	52,017	50,125	1,892	52,887
General insurance	21,500	21,500	21,233	267	23,387
Contract labor	151,000	117,487	105,971	11,516	114,830
Telephone and utilities	24,800	17,345	16,675	670	18,889
Supplies, materials and repairs	240,000	332,333	330,889	1,444	273,777
Equipment rental	75,000	97,619	96,462	1,157	61,923
Office supplies	9,400	5,359	4,864	495	7,489
Auto and truck expense	74,000	86,845	84,703	2,142	71,619
Street lighting	112,000	116,680	115,558	1,122	110,628
Engineering fees	121,000	97,262	93,273	3,989	79,824
Professional fees	9,800	8,189	7,197	992	11,703
Uniforms	7,200	6,996	5,776	1,220	6,509
Disaster cleanup	225,000	148,581	148,581	-	-
Miscellaneous	3,500	2,604	1,909	695	3,287
Total streets and drainage	<u>1,369,064</u>	<u>1,503,380</u>	<u>1,465,863</u>	<u>37,517</u>	<u>1,183,914</u>
Capital outlay:					
General government -					
Buildings and improvements	-	24,173	-	24,173	10,046
City hall equipment	-	8,975	7,857	1,118	5,157
Highways and streets -					
Equipment	-	85,792	85,403	389	204,835
Vehicles	-	85,247	62,817	22,430	-
Street improvements and drainage	90,631	1,187,781	1,187,720	61	392,852
Total capital outlay	<u>90,631</u>	<u>1,391,968</u>	<u>1,343,797</u>	<u>48,171</u>	<u>612,890</u>
Debt service:					
Principal	-	24,492	18,369	6,123	18,369
Total expenditures	<u>\$ 4,173,207</u>	<u>\$ 5,791,589</u>	<u>\$ 5,687,765</u>	<u>\$ 103,824</u>	<u>\$ 4,231,033</u>

CITY OF YOUNGSVILLE, LOUISIANA
1981 Sales Tax Special Revenue Fund

Budgetary Comparison Schedule - Expenditures
For the Year Ended June 30, 2020
With Comparative Amounts for the Year Ended June 30, 2019

	2020			Variance with Final Budget Positive (Negative)	2019 Actual
	Budget		Actual		
	Original	Final			
General government -					
Sales tax collection fees	\$ 11,267	\$ 11,873	\$ 11,756	\$ 117	\$ 10,908
Professional fees	-	12,500	9,485	3,015	12,495
Total general government	<u>11,267</u>	<u>24,373</u>	<u>21,241</u>	<u>3,132</u>	<u>23,403</u>
Public safety -					
Police -					
Salaries	1,567,395	1,592,452	1,583,329	9,123	1,401,085
On-behalf payments - salaries	156,000	155,329	156,693	(1,364)	143,308
Civil service salaries	-	4,524	4,200	324	4,200
Payroll taxes and retirement	522,959	507,567	486,077	21,490	415,943
Group insurance	195,362	199,775	201,025	(1,250)	184,048
Repairs and maintenance	5,000	4,655	11,512	(6,857)	11,716
Office supplies and expense	26,200	13,808	15,340	(1,532)	23,883
Dues and subscriptions	750	787	390	397	856
Telephone and utilities	55,000	46,177	45,570	607	47,515
Insurance	89,250	92,748	91,595	1,153	88,144
Auto expense	250,000	262,538	233,267	29,271	214,361
Uniforms and supplies	48,600	36,689	31,627	5,062	23,481
Contract labor	75,400	24,532	6,513	18,019	14,952
Court expense	285,000	204,173	185,545	18,628	274,836
Training	20,500	16,156	5,543	10,613	9,654
Professional fees	32,000	81,958	80,299	1,659	92,451
Radio rent	3,000	4,279	3,875	404	8,185
Miscellaneous	12,000	10,740	12,506	(1,766)	18,262
Total public safety	<u>3,344,416</u>	<u>3,258,887</u>	<u>3,154,906</u>	<u>103,981</u>	<u>2,976,880</u>
Capital outlay -					
Police autos	80,000	74,953	83,921	(8,968)	128,610
Police equipment	25,000	31,137	25,355	5,782	109,151
Total capital outlay	<u>105,000</u>	<u>106,090</u>	<u>109,276</u>	<u>(3,186)</u>	<u>237,761</u>
Debt service -					
Retirement of principal	-	74,422	79,786	(5,364)	65,541
Interest expense	-	5,081	5,201	(120)	6,301
Total debt service	<u>-</u>	<u>79,503</u>	<u>84,987</u>	<u>(5,484)</u>	<u>71,842</u>
Total expenditures	<u>\$ 3,460,683</u>	<u>\$ 3,468,853</u>	<u>\$ 3,370,410</u>	<u>\$ 98,443</u>	<u>\$ 3,309,886</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, 2020
With Comparative Amounts for the Year Ended June 30, 2019

	2020		Variance with Final Budget Positive (Negative)	2019 Actual
	Budget	Actual		
Revenues:				
Miscellaneous -				
Interest	\$ 24,458	\$ 25,440	\$ 982	\$ 36,002
Expenditures:				
Debt service -				
Retirement of principal	2,424,000	2,424,000	-	2,092,000
Interest and fiscal charges	1,183,565	1,189,595	(6,030)	1,102,434
Total expenditures	<u>3,607,565</u>	<u>3,613,595</u>	<u>(6,030)</u>	<u>3,194,434</u>
Deficiency of revenues over expenditures	<u>(3,583,107)</u>	<u>(3,588,155)</u>	<u>(5,048)</u>	<u>(3,158,432)</u>
Other financing sources:				
Transfer from 1981 Sales Tax Fund	157,132	157,132	-	-
Transfer from 1968 Sales Tax Fund	1,442,583	1,442,583	-	1,539,476
Transfer from 1999 Sales Tax Fund	94,006	94,006	-	90,665
Transfer from Recreational Sales Tax Fund	1,194,598	1,194,598	-	1,200,156
Transfer from General Fund	787,194	787,194	-	507,738
Total other financing sources	<u>3,675,513</u>	<u>3,675,513</u>	<u>-</u>	<u>3,338,035</u>
Net change in fund balance	92,406	87,358	(5,048)	179,603
Fund balance, beginning	<u>2,992,450</u>	<u>2,992,450</u>	<u>-</u>	<u>2,812,847</u>
Fund balance, ending	<u>\$ 3,084,856</u>	<u>\$ 3,079,808</u>	<u>\$ (5,048)</u>	<u>\$ 2,992,450</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, 2020
 With Comparative Amounts for the Year Ended June 30, 2019

	2020		Variance with Final Budget Positive (Negative)	2019 Actual
	Budget	Actual		
Revenues:				
Miscellaneous -				
Interest	\$ 23,417	\$ 17,764	\$ (5,653)	\$ 22,526
Expenditures:				
Current -				
General government:				
Professional fees	55,312	48,932	6,380	66,878
Capital outlay - streets	2,696,060	2,701,391	(5,331)	1,805,058
Total expenditures	2,751,372	2,750,323	1,049	1,871,936
Deficiency of revenues over expenditures	(2,727,955)	(2,732,559)	(4,604)	(1,849,410)
Other financing sources:				
Transfer from 1968 Sales Tax Fund	1,199,425	1,199,425	-	-
Transfer from General Fund	41,484	41,484	-	49,335
Transfer from Utility Fund	340,000	340,000	-	-
Total other financing sources	1,580,909	1,580,909	-	49,335
Net change in fund balance	(1,147,046)	(1,151,650)	(4,604)	(1,800,075)
Fund balance, beginning	1,258,212	1,258,212	-	3,058,287
Fund balance, ending	\$ 111,166	\$ 106,562	\$ (4,604)	\$ 1,258,212

CITY OF YOUNGSVILLE, LOUISIANA
 Capital Projects Fund
 Municipal Complex Construction Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance -
 Budget (GAAP Basis) and Actual
 For the Year Ended June 30, 2020
 With Comparative Amounts for the Year Ended June 30, 2019

	2020		Variance with Final Budget Positive (Negative)	2019 Actual
	Budget	Actual		
Revenues:				
Miscellaneous - Interest	\$ 131,723	\$ 103,453	\$ (28,270)	\$ 94,515
Expenditures:				
Capital outlay - Municipal Complex	212,400	208,713	3,687	106,648
Debt service - bond issuance costs	-	-	-	202,065
Total expenditures	<u>212,400</u>	<u>208,713</u>	<u>3,687</u>	<u>308,713</u>
Deficiency of revenues over expenditures	<u>(80,677)</u>	<u>(105,260)</u>	<u>(24,583)</u>	<u>(214,198)</u>
Other financing sources:				
Bond proceeds	-	-	-	7,000,000
Premium on bonds	-	-	-	362,439
Transfer from General Fund	-	-	-	32,358
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,394,797</u>
Net change in fund balance	(80,677)	(105,260)	(24,583)	7,180,599
Fund balance, beginning	<u>7,180,599</u>	<u>7,180,599</u>	-	-
Fund balance, ending	<u>\$ 7,099,922</u>	<u>\$ 7,075,339</u>	<u>\$ (24,583)</u>	<u>\$ 7,180,599</u>

CITY OF YOUNGSVILLE, LOUISIANA
Enterprise Fund
Utility Fund

Schedule of Number of Utility Customers
(Unaudited)
June 30, 2020 and 2019

Records maintained by the City indicated the following number of customers were being served during the months of June 30, 2020 and 2019:

<u>Department</u>	<u>2020</u>	<u>2019</u>
Water (metered)	5,784	5,617
Sewerage	4,786	4,594
Garbage	5,847	5,649

CITY OF YOUNGSVILLE, LOUISIANA

Schedule of Insurance in Force
(Unaudited)
June 30, 2020

Description of Coverage	Policy Expiration Date	Coverage Amounts
Workmens' compensation: Employer's liability	01/01/21	\$ 1,000,000
Surety bonds: Position Bond	06/27/21	985,993
Public officials liability	05/01/21	1,000,000
Commercial cyber & privacy laibility	05/01/21	1,000,000
Automobile liability	05/01/21	1,000,000
Buildings, contents and machinery: Property coverage / wind and hail damage	05/19/21	500,250
Law enforcement officer's liability	05/01/21	1,000,000
General liability Occurrence	05/01/21	1,000,000
Aggregate	05/01/21	2,000,000
Equipment	05/01/21	1,368,543
Sports complex:		
Property coverage	05/12/21	14,842,443
General liability (occurrence / aggregate)	05/12/21	1,000,000
Liquor Liability	05/12/21	1,000,000
Excess liability	05/12/21	1,000,000
Special Risk - Recreational Program	03/28/21	100,000
Business automobile liability	05/12/21	1,000,000
Workmens' compensation: Employer's liability	01/01/21	1,000,000

CITY OF YOUNGSVILLE, LOUISIANA
 Combined Schedule of Interest-Bearing Deposits
 June 30, 2020

	<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	variable	<u>669,518</u>
Sales Tax Funds:				
Iberia Bank - Interest-bearing deposits	N/A	N/A	variable	784,736
Whitney Bank - Interest-bearing deposits				<u>2,435,936</u>
Total Sales Tax Funds				<u>3,220,672</u>
Street Improvements and Construction Capital Projects Fund:				
Iberia Bank - Interest-bearing deposits	N/A	N/A	variable	322,646
Interest-bearing deposits	N/A	N/A	variable	<u>7,134,035</u>
Total Street Improvements and Construction Capital Projects Fund				<u>7,456,681</u>
Debt Service Fund:				
Iberia Bank - Interest-bearing deposits	N/A	N/A	variable	<u>1,507,452</u>
Utility Fund:				
Whitney Bank - Interest-bearing deposits	N/A	N/A	variable	940,352
Certificate of deposit	365 days	05/10/21	0.80%	17,517
Certificate of deposit	365 days	11/16/20	0.72%	20,587
Certificate of deposit	365 days	07/06/20	0.80%	27,636
Certificate of deposit	365 days	05/10/20	0.80%	9,092
Certificate of deposit	60 days	07/27/20	0.20%	7,148
Certificate of deposit	365 days	07/05/20	0.80%	9,242
Certificate of deposit	365 days	04/06/20	0.80%	35,013
Certificate of deposit	365 days	11/28/20	0.20%	11,202
Farmers State Bank - Certificate of deposit	365 days	02/22/21	0.26%	11,103
Certificate of deposit	365 days	02/22/21	0.26%	11,020
Certificate of deposit	365 days	02/22/21	0.26%	10,933
Certificate of deposit	365 days	10/20/20	0.42%	<u>123,512</u>
Total Utility Fund				<u>1,234,357</u>
Total all funds				<u>\$ 14,088,680</u>

CITY OF YOUNGSVILLE, LOUISIANA
Enterprise Fund
Utility Fund

Statement of Net Position
June 30, 2020

With Comparative Amounts for the Year Ended June 30, 2019

	2020	2019
ASSETS		
Current assets:		
Cash	\$ 3,873,141	\$ 2,032,278
Receivables:		
Accounts receivable, net	881,025	478,442
Accrued interest receivable	931	931
Due from other funds	126,347	66,150
Other receivables	711	39,952
Prepaid items	57,736	55,998
Total current assets	4,939,891	2,673,751
Noncurrent assets:		
Restricted assets -		
Cash	531,214	444,447
Interest-bearing deposits, at cost	452,480	449,388
Capital assets:		
Land and construction in progress	1,538,236	1,016,960
Other capital assets, net of accumulated depreciation	22,449,054	22,450,847
Total noncurrent assets	24,970,984	24,361,642
Total assets	29,910,875	27,035,393
LIABILITIES		
Current liabilities:		
Cash overdraft	56,979	-
Accounts payable	92,391	182,859
Customers' deposits	500,292	397,322
Contracts payable	251,680	65,924
Retainage payable	29,687	33,700
Other liabilities	216,411	567
Due to other funds	2,626,143	1,190,194
Payable from restricted assets -		
Revenue bonds	220,000	218,000
Accrued interest	4,305	4,643
Total current liabilities	3,997,888	2,093,209
Noncurrent liabilities:		
DEQ water loan payable	317,730	170,432
Revenue bonds payable	2,319,000	2,539,000
Total noncurrent liabilities	2,636,730	2,709,432
Total liabilities	6,634,618	4,802,641
NET POSITION		
Net investment in capital assets	21,109,673	20,686,031
Restricted for debt service	218,617	246,590
Unrestricted	1,947,967	1,300,131
Total net position	\$ 23,276,257	\$ 22,232,752

Water		Sewerage		Sanitation	
2020	2019	2020	2019	2020	2019
\$ 2,815,583	\$ 2,065,918	\$ 1,940,352	\$ 1,072,798	\$ 1,470,806	\$ 1,147,890
342,419	311,151	149,305	171,403	18,054	24,092
<u>3,158,002</u>	<u>2,377,069</u>	<u>2,089,657</u>	<u>1,244,201</u>	<u>1,488,860</u>	<u>1,171,982</u>
287,849	271,995	146,360	130,075	67,198	68,676
36,387	30,488	18,706	16,540	8,152	7,812
38,136	34,187	20,854	19,222	13,001	12,984
-	-	25,170	23,105	-	-
1,109,370	1,052,025	-	-	-	-
220,690	223,390	140,086	178,007	-	-
31,061	24,270	131,885	133,124	-	-
18,384	21,656	114,963	117,648	-	-
47,162	52,149	41,365	42,368	278	454
51,940	42,869	72,483	76,000	-	-
53,194	51,170	23,935	28,462	-	-
46,405	39,626	4,815	13,850	-	-
40,228	117,779	26,308	15,437	5,362	16,797
-	-	-	-	1,157,265	1,110,821
403,302	387,399	520,294	432,626	-	-
47,015	58,934	40,624	21,301	-	-
<u>2,431,123</u>	<u>2,407,937</u>	<u>1,327,848</u>	<u>1,247,765</u>	<u>1,251,256</u>	<u>1,217,544</u>
<u>\$ 726,879</u>	<u>\$ (30,868)</u>	<u>\$ 761,809</u>	<u>\$ (3,564)</u>	<u>\$ 237,604</u>	<u>\$ (45,562)</u>

CITY OF YOUNGSVILLE, LOUISIANA
Enterprise Fund
Sports Complex Fund

Statement of Net Position
June 30, 2020

With Comparative Amounts for the Year Ended June 30, 2019

	2020	2019
ASSETS		
Current assets:		
Cash	\$ 12,013	\$ -
Receivables:		
Accounts receivable, net	102,209	131,892
Due from other funds	647,166	208
Prepaid items	102,823	94,007
Total current assets	864,211	226,107
Noncurrent assets:		
Capital assets:		
Land and construction in progress	3,634,335	3,736,507
Other capital assets, net of accumulated depreciation	19,732,524	19,288,968
Total noncurrent assets	23,366,859	23,025,475
Total assets	24,231,070	23,251,582
LIABILITIES		
Current liabilities:		
Cash overdraft	1,168,698	93,603
Accounts payable	44,102	89,792
Unearned revenue	10,025	-
Retainage payable	15,663	9,350
Other liabilities	22,550	-
Due to other funds	334,818	736,021
Total current liabilities	1,595,856	928,766
NET POSITION		
Net investment in capital assets	23,351,196	23,016,125
Unrestricted (deficit)	(715,982)	(693,309)
Total net position	\$ 22,635,214	\$ 22,322,816

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, 2020
With Comparative Amounts for the Year Ended June 30, 2019

	Totals	
	2020	2019
Operating revenues:		
Charges for services -		
Sponsorship fees	\$ 239,504	\$ 348,908
Tournament and league income	380,865	416,669
Concession sales	58,081	70,519
Gate fees	93,267	66,983
Tennis fees	1,431	1,848
Miscellaneous	97,270	112,035
Total operating revenues	870,418	1,016,962
Operating expenses:		
Salaries	438,507	444,455
Payroll and retirement	60,978	60,052
Group insurance	75,077	72,448
Advertising	2,064	1,897
Auto expense	23,089	22,048
Awards	107	1,398
Contract labor	328,039	360,692
Depreciation expense	926,354	889,848
Equipment expense	16,065	9,063
General insurance	139,008	140,573
Professional fees	43,963	43,827
Office supplies and expense	40,130	27,185
Repairs and maintenance	122,341	210,357
Security expense	87,738	101,760
Sponsorship fees	65,753	60,319
Supplies	134,932	91,431
Telephone and utilities	137,361	136,326
Training	1,090	7,639
Tournament fees	238,415	174,343
Uniforms	3,884	4,986
Miscellaneous	96,857	31,155
Total operating expenses	2,981,752	2,891,802
Operating loss	(2,111,334)	(1,874,840)
Nonoperating income (loss):		
Loss on disposal of capital assets	-	(1,929)
Loss before transfers	(2,111,334)	(1,876,769)
Transfers in	2,423,732	1,000,000
Change in net position	312,398	(876,769)
Net position, beginning	22,322,816	23,199,585
Net position, ending	\$ 22,635,214	\$ 22,322,816

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

KOLDER, SLAVEN & COMPANY, LLC

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Victor R. Slaven, CPA* - retired 2020

* A Professional Accounting Corporation

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*

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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, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated November 3, 2020.

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) as a basis for designing 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 a 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 first paragraph of this section 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 have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as item 2020-001(IC) and 2020-002(IC) that we consider 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, Slaven & Company, LLC
Certified Public Accountants

Lafayette, Louisiana
November 3, 2020

CITY OF YOUNGSVILLE, LOUISIANA

Summary Schedule of Current and Prior Year Findings
And Management's Corrective Action Plan (Continued)

Part I. Current Year Findings and Management's Corrective Action Plan

A. Internal Control Findings –

2020-001 Inadequate Segregation of Accounting Functions

Fiscal year finding initially occurred: Unknown

CONDITION: The City did not have adequate segregation of functions within the accounting system.

CRITERIA: The City should have a control policy according to which no person should be given responsibility for more than one related function.

CAUSE: Due to the size of the City, there are a small number of available employees.

EFFECT: The City has employees that are performing more than one related function.

RECOMMENDATION: The City should establish and monitor mitigating controls over functions that are not completely segregated.

MANAGEMENT'S CORRECTION ACTION PLAN: Due to the size of the operations and the cost-benefit of additional personnel, it may not be feasible to achieve complete segregation of duties.

2020-002 Inadequate Recordation of Transactions and Reconciliations of Account Balances

Fiscal year finding initially occurred: 2020

CONDITION: The City does not have adequate controls over recordation of transactions and monthly reconciliations of account balances. Specific accounting areas involve the following – (1) bank reconciliations (2) accounts receivable – utility reconciliation (3) accounts payable reconciliation and (4) interfund transactions and balances.

CRITERIA: The City should have policies and procedures designed to ensure that all transactions are recorded properly, and account balances reconciled on a timely basis. (1) The City Treasurer should reconcile the consolidated bank account, 2011 Bond Sinking Fund bank account and time certificates of deposit accounts on a monthly basis and review all outstanding items for correctness. (2) The Utility Clerk should reconcile the utility accounts receivable report to the general ledger monthly and the reconciliation reviewed by the City Treasurer. All differences should be reconciled timely and uncollectible items written off. The utility accounts receivable report is a live report and must be printed on the last day of the month to be able to reconcile it to the general ledger. (3) The Accounts Payable Clerk should reconcile all account payable subsidiaries to the general ledger monthly and the reconciliation reviewed by the City Treasurer. (4) The City Treasurer should reconcile the interfund transactions and balances monthly. The City should pay out all interfund balances due to the appropriate funds. Additionally, internal controls are necessary in order to safeguard assets from misappropriation.

CITY OF YOUNGSVILLE, LOUISIANA

Summary Schedule of Current and Prior Year Findings
And Management's Corrective Action Plan (Continued)

CAUSE: Due to inadequate policies and procedures, the City's accounting records may not be accurate and reconciled timely.

EFFECT: The City could have discrepancies in the financial statements, thereby causing management to make decisions based upon erroneous information. Additionally, lack of internal controls could result in misappropriation of assets.

RECOMMENDATION: The City should implement policies and procedures to ascertain that transactions are properly recorded, and account balances are reconciled on a timely basis.

MANAGEMENT'S CORRECTION ACTION PLAN: The Town will implement policies and procedures to ascertain that transactions are properly recorded, and account balances are reconciled on a timely basis.

Part II. Prior Year Findings

A. Internal Control Findings -

2019-001 Inadequate Segregation of Accounting Functions

Fiscal year finding initially occurred: Unknown

CONDITION: The City did not have adequate segregation of functions within the accounting system.

RECOMMENDATION: The City should establish and monitor mitigating controls over functions that are not completely segregated.

CURRENT STATUS: Unresolved. See finding 2020-001.