

CITY OF BROUSSARD, LOUISIANA

Financial Report

Year Ended June 30, 2018

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KOLDER, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

C. Burton Kolder, CPA*
Victor R. Slaven, CPA*
Gerald A. Thibodeaux, Jr., CPA*
Robert S. Carter, CPA*
Arthur R. Mixon, CPA*
Brad E. Kolder, CPA, JD*
Stephen J. Anderson, CPA*
Christine C. Doucet, CPA
Wanda F. Arcement, CPA, CVA
Bryan K. Joubert, CPA
Matthew E. Margaglio, CPA
Casey L. Ardoin, CPA, CFE

183 S. Beadle Rd.
Lafayette, LA 70508
Phone (337) 232-4141

11929 Bricksome Ave.
Baton Rouge, LA 70816
Phone (225) 293-8300

1428 Metro Dr.
Alexandria, LA 71301
Phone (318) 442-4421

450 E. Main St.
New Iberia, LA 70560
Phone (337) 367-9204

200 S. Main St.
Abbeville, LA 70510
Phone (337) 893-7944

1234 David Dr. Ste. 203
Morgan City, LA 70380
Phone (985) 384-2020

434 E. Main St.
Ville Platte, LA 70586
Phone (337) 363-2792

332 W. Sixth Ave.
Oberlin, LA 70655
Phone (337) 639-4737

* A Professional Accounting Corporation

INDEPENDENT AUDITORS' REPORT

WWW.KCSRPCAS.COM

The Honorable Charles E. Langlinais,
and Members of the Board of Aldermen
City of Broussard, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Broussard, Louisiana, (City) as of and for the year ended June 30, 2018, 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.

Auditors' 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 of 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 risk 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 policies 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.

Basis for Adverse Opinion on Discretely Presented Component Units

The financial statements referred to above do not include financial data for the City's legally separate component units. Accounting principles generally accepted in the United States of America require the financial data for component units to be reported with the financial data of the City's primary government unless the City also issues financial statements for the financial reporting entity that include the financial data for its component units. The City has not issued such reporting entity financial statements. Because of this departure from accounting principles generally accepted in the United States of America, the assets, liabilities, net assets, revenues, and expenses of the discretely presented component units would have been reported as \$1,730,157, \$21,022, \$1,709,135, \$1,412,444, and \$1,372,294, respectively.

Adverse Opinion

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on Discretely Presented Component Unit" paragraph, the financial statements referred to above do not present fairly the financial position of the discretely presented component unit of the City of Broussard, Louisiana, as of June 30, 2018 or the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Broussard, Louisiana, as of June 30, 2018, 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 the budgetary comparison information on pages 38 through 42 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 Broussard 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 Broussard, Louisiana's basic financial statements. The combining and comparative statements and various schedules included in other supplementary information are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and 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 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, these combining and comparative statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole. The prior year comparative information on the combining and comparative statements has been derived from the City of Broussard's 2017 financial statements, which was subjected to the auditing procedures applied in the audit of the basic financial statements 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 included in other supplementary information 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 September 21, 2018, on our consideration of the City of Broussard, 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 the 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
September 21, 2018

BASIC FINANCIAL STATEMENTS

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

CITY OF BROUSSARD, LOUISIANA

Statement of Net Position
June 30, 2018

	Governmental Activities	Business- Type Activities	Total
ASSETS			
Current assets:			
Cash and interest-bearing deposits	\$13,694,609	\$ 229,134	\$ 13,923,743
Receivables, net	3,088,490	470,441	3,558,931
Internal balances	910,466	(910,466)	-
Due from other governments	37,891	-	37,891
Prepaid items	182,387	99,741	282,128
Total current assets	<u>17,913,843</u>	<u>(111,150)</u>	<u>17,802,693</u>
Noncurrent assets:			
Restricted assets -			
Cash and interest-bearing deposits	2,565,676	1,781,686	4,347,362
Capital assets -			
Land and construction in progress	11,500,452	7,300,954	18,801,406
Capital assets, net	14,351,866	58,555,744	72,907,610
Total noncurrent assets	<u>28,417,994</u>	<u>67,638,384</u>	<u>96,056,378</u>
Total assets	<u>46,331,837</u>	<u>67,527,234</u>	<u>113,859,071</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred loss on bond refunding	<u>531,847</u>	<u>-</u>	<u>531,847</u>
LIABILITIES			
Current liabilities:			
Accounts, salaries and other payables	598,088	239,925	838,013
Due to other governments	35,820	-	35,820
Bonds payable	791,442	625,000	1,416,442
Accrued interest payable	108,229	172,723	280,952
Customers' deposits payable	-	337,527	337,527
Total current liabilities	<u>1,533,579</u>	<u>1,375,175</u>	<u>2,908,754</u>
Noncurrent liabilities:			
Compensated absences payable	361,865	110,727	472,592
Bonds payable	19,543,737	25,955,000	45,498,737
Total noncurrent liabilities	<u>19,905,602</u>	<u>26,065,727</u>	<u>45,971,329</u>
Total liabilities	<u>21,439,181</u>	<u>27,440,902</u>	<u>48,880,083</u>
NET POSITION			
Net investment in capital assets	13,613,986	39,901,698	53,515,684
Restricted for sales tax dedications	9,794,778	-	9,794,778
Restricted for debt service	2,457,447	646,436	3,103,883
Unrestricted (deficit)	(441,708)	(461,802)	(903,510)
Total net position	<u>\$25,424,503</u>	<u>\$40,086,332</u>	<u>\$ 65,510,835</u>

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

CITY OF BROUSSARD, LOUISIANA

Statement of Activities
For the Year Ended June 30, 2018

Activities	Expenses	Program Revenues			Net (Expense) Revenues and Changes in Net Position		
		Fees, Fines, and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental activities:							
General government	\$ 2,585,938	\$ 1,630,999	\$ -	\$ -	\$ (954,939)	\$ -	\$ (954,939)
Public safety	4,051,771	262,087	177,473	-	(3,612,211)	-	(3,612,211)
Parks and recreation	10,206,916	-	-	-	(10,206,916)	-	(10,206,916)
Streets and drainage	3,597,713	-	3,570	-	(3,594,143)	-	(3,594,143)
Interest on long-term debt	732,676	-	-	-	(732,676)	-	(732,676)
Total governmental activities	<u>21,175,014</u>	<u>1,893,086</u>	<u>181,043</u>	<u>-</u>	<u>(19,100,885)</u>	<u>-</u>	<u>(19,100,885)</u>
Business-type activities:							
Water	2,397,296	1,649,055	-	-	-	(748,241)	(748,241)
Sewer	2,004,105	838,540	-	2,205	-	(1,163,360)	(1,163,360)
Sanitation	981,138	1,056,649	-	-	-	75,511	75,511
Sports Complex	3,440,245	327,625	-	10,206,916	-	7,094,296	7,094,296
Total business-type activities	<u>8,822,784</u>	<u>3,871,869</u>	<u>-</u>	<u>10,209,121</u>	<u>-</u>	<u>5,258,206</u>	<u>5,258,206</u>
Total	<u>\$ 29,997,798</u>	<u>\$ 5,764,955</u>	<u>\$ 181,043</u>	<u>\$ 10,209,121</u>	<u>(19,100,885)</u>	<u>5,258,206</u>	<u>(13,842,679)</u>
General revenues:							
Taxes -							
Sales and use taxes, levied for general purposes					14,828,621	-	14,828,621
Franchise taxes					1,109,720	-	1,109,720
Grants and contributions not restricted to specific programs -							
State sources					106,368	-	106,368
Interest and investment earnings					44,289	15,886	60,175
Miscellaneous					111,985	-	111,985
Transfers							
Total general revenues and transfers					<u>10,147,914</u>	<u>6,053,069</u>	<u>-</u>
Change in net position					(8,952,971)	11,327,161	2,374,190
Net position - July 1, 2017					<u>34,377,474</u>	<u>28,759,171</u>	<u>63,136,645</u>
Net position - June 30, 2018					<u>\$ 25,424,503</u>	<u>\$ 40,086,332</u>	<u>\$ 65,510,835</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

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

1992 Sales Tax Fund -

To account for the receipt and use of proceeds of the City's 1992 1% sales and use tax (rededicated in 1998). These taxes are dedicated to be used for (1) constructing, improving, operating and maintaining waterworks facilities, fire protection facilities, and police protection facilities, including the acquisition of equipment therefore, (2) constructing, improving, operating and maintaining sewers and sewerage disposal works, and (3) constructing, improving, operating and maintaining public streets and bridges and drainage facilities, including the acquisition of equipment therefore, and shall be used to fund any bonds issued for any of the

TIF Sales Tax Fund -

To account for the receipt and use of proceeds of the City's 2006 1% TIF district sales and use tax for the Broussard Economic Development District. These taxes are dedicated to be used to fund revenue bonds to be issued to finance economic development projects within the district.

2011 Recreational Sales Tax Fund -

To account for the receipt and use of proceeds of the City's 2011 1/2% recreational facilities sales and use tax. These taxes are dedicated to be used for the operations of the park and for the payment of revenue bonds associated with the acquisition, construction and equipping of recreational facilities and related

Capital Projects Fund

Capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities other than those financed by proprietary funds.

Park Capital Projects Fund

To account for the construction of various park projects utilizing the proceeds of the 2012 and 2015 Recreational Facility Sales Tax Revenue Bonds and City's funds.

LCDBG/Streets Capital Projects Fund

To account for the improvements of various projects using proceeds from grant revenue and City's funds.

Enterprise Funds

Utility Fund -

To account for the provision of water, sewer, and garbage collection services. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing, debt service, billing and collection.

Sports Complex Fund -

To account for the operation of the St. Julien Park Sports Complex facility. All fee and revenues derived from the facility and all related expenses are accounted for in this fund.

CITY OF BROUSSARD, LOUISIANA

Balance Sheet
Governmental Funds
June 30, 2018

	General	1992 Sales Tax	TIF Sales Tax	2011 Recreational Sales Tax	Park Capital Projects	LCDBG/Streets Capital Projects	Other Governmental Funds	Total
ASSETS								
Cash and interest-bearing deposits	\$ 5,669,411	\$ 3,706,336	\$ 3,148,550	\$ 1,063,743	\$ 1,408	\$ 105,328	\$ 2,565,509	\$ 16,260,285
Receivables -								
Taxes and licenses	1,252,563	1,109,743	164,785	549,653	-	-	-	3,076,744
Due from other governments	29,867	-	-	8,024	-	-	-	37,891
Due from other funds	944,560	2,207,077	-	801,954	811,399	1,027,459	-	5,792,449
Other	11,579	-	-	-	-	-	167	11,746
Prepaid items	182,387	-	-	-	-	-	-	182,387
Total assets	<u>\$ 8,090,367</u>	<u>\$ 7,023,156</u>	<u>\$ 3,313,335</u>	<u>\$ 2,423,374</u>	<u>\$ 812,807</u>	<u>\$ 1,132,787</u>	<u>\$ 2,565,676</u>	<u>\$ 25,361,502</u>
LIABILITIES AND FUND BALANCES								
Liabilities -								
Accounts payable and accrued expenditures	\$ 226,690	\$ 10,011	\$ 2,538	\$ 5,092	\$ -	\$ -	\$ -	\$ 244,331
Contracts payable	6,751	-	13,673	-	-	4,052	-	24,476
Retainage payable	-	-	-	-	-	329,281	-	329,281
Due to other governments	17,910	17,910	-	-	-	-	-	35,820
Due to other funds	557,379	1,500,000	193,786	1,222,077	808,754	599,987	-	4,881,983
Total liabilities	<u>808,730</u>	<u>1,527,921</u>	<u>209,997</u>	<u>1,227,169</u>	<u>808,754</u>	<u>933,320</u>	<u>-</u>	<u>5,515,891</u>
Fund balances -								
Nonspendable for prepaid items	182,387	-	-	-	-	-	-	182,387
Restricted for sales tax dedications	-	5,495,235	3,103,338	1,196,205	-	-	-	9,794,778
Restricted for debt service	-	-	-	-	-	-	2,565,676	2,565,676
Assigned for capital expenditures	-	-	-	-	4,053	199,467	-	203,520
Unassigned	7,099,250	-	-	-	-	-	-	7,099,250
Total fund balances	<u>7,281,637</u>	<u>5,495,235</u>	<u>3,103,338</u>	<u>1,196,205</u>	<u>4,053</u>	<u>199,467</u>	<u>2,565,676</u>	<u>19,845,611</u>
Total liabilities and fund balances	<u>\$ 8,090,367</u>	<u>\$ 7,023,156</u>	<u>\$ 3,313,335</u>	<u>\$ 2,423,374</u>	<u>\$ 812,807</u>	<u>\$ 1,132,787</u>	<u>\$ 2,565,676</u>	<u>\$ 25,361,502</u>

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

CITY OF BROUSSARD, LOUISIANA

Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
June 30, 2018

Total fund balances for governmental funds at June 30, 2018	\$19,845,611
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	\$ 458,171
Construction in progress	11,042,281
Buildings and improvements, net of \$1,430,100 accumulated depreciation	1,721,584
Equipment and vehicles, net of \$2,828,734 accumulated depreciation	925,638
Infrastructure, net of \$4,451,580 accumulated depreciation	<u>11,704,644</u>
	25,852,318
The deferred loss on bond refunding is not an available resource, and therefore, is not reported in the funds	
	531,847
Long-term liabilities at June 30, 2018:	
Bonds payable	(20,335,179)
Compensated absences payable	(361,865)
Accrued interest payable	<u>(108,229)</u>
	<u>(20,805,273)</u>
Total net position of governmental activities at June 30, 2018	<u>\$25,424,503</u>

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

CITY OF BROUSSARD, LOUISIANA

Statement of Revenues, Expenditures and Changes in Fund Balances -
 Governmental Funds
 For the Year Ended June 30, 2018

	General	1992 Sales Tax	TIF Sales Tax	2011 Recreational Sales Tax	Park Capital Projects	LCDBG/Streets Capital Projects	Other Governmental Funds	Total
Revenues:								
Taxes	\$ 6,796,086	\$ 5,686,366	\$ 629,275	\$ 2,826,614	\$ -	\$ -	\$ -	\$15,938,341
Licenses and permits	1,630,999	-	-	-	-	-	-	1,630,999
Intergovernmental	287,411	-	-	-	-	-	-	287,411
Fine and forfeits	262,087	-	-	-	-	-	-	262,087
Interest	16,995	10,518	3,028	2,661	574	-	10,513	44,289
Miscellaneous	111,985	-	-	-	-	-	-	111,985
Total revenues	<u>9,105,563</u>	<u>5,696,884</u>	<u>632,303</u>	<u>2,829,275</u>	<u>574</u>	<u>-</u>	<u>10,513</u>	<u>18,275,112</u>
Expenditures:								
Current -								
General government	2,325,342	72,014	15,381	35,448	4,300	4,870	-	2,457,355
Public safety	3,855,309	-	-	-	-	-	-	3,855,309
Streets and drainage	2,977,326	-	-	-	-	-	-	2,977,326
Debt service	-	-	-	-	-	-	1,468,308	1,468,308
Capital outlay	392,241	-	74,941	-	651,151	2,452,949	-	3,571,282
Total expenditures	<u>9,550,218</u>	<u>72,014</u>	<u>90,322</u>	<u>35,448</u>	<u>655,451</u>	<u>2,457,819</u>	<u>1,468,308</u>	<u>14,329,580</u>
Excess (deficiency) of revenues over expenditures	<u>(444,655)</u>	<u>5,624,870</u>	<u>541,981</u>	<u>2,793,827</u>	<u>(654,877)</u>	<u>(2,457,819)</u>	<u>(1,457,795)</u>	<u>3,945,532</u>
Other financing sources (uses):								
Proceeds from issuance of debt	-	-	-	-	-	-	361,514	361,514
Transfers in	1,000,000	-	-	-	657,000	2,254,410	2,944,010	6,855,420
Transfers out	(651,410)	(5,444,780)	(418,211)	(3,043,366)	-	-	(3,350,722)	(12,908,489)
Total other financing sources (uses)	<u>348,590</u>	<u>(5,444,780)</u>	<u>(418,211)</u>	<u>(3,043,366)</u>	<u>657,000</u>	<u>2,254,410</u>	<u>(45,198)</u>	<u>(5,691,555)</u>
Net change in fund balances	<u>(96,065)</u>	<u>180,090</u>	<u>123,770</u>	<u>(249,539)</u>	<u>2,123</u>	<u>(203,409)</u>	<u>(1,502,993)</u>	<u>(1,746,023)</u>
Fund balances - beginning	7,377,702	5,315,145	2,979,568	1,445,744	1,930	402,876	4,068,669	21,591,634
Fund balances - ending	<u>\$ 7,281,637</u>	<u>\$ 5,495,235</u>	<u>\$ 3,103,338</u>	<u>\$ 1,196,205</u>	<u>\$ 4,053</u>	<u>\$ 199,467</u>	<u>\$ 2,565,676</u>	<u>\$19,845,611</u>

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

CITY OF BROUSSARD, 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, 2018

Total net changes in fund balances at June 30, 2018 in the
statement of revenues, expenditures and changes in fund balances \$ (1,746,023)

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 in the statement of revenues, expenditures and changes in fund balances	\$ 3,571,282	
Loss on disposal of capital assets	(21,160)	
Depreciation expense for the year ended June 30, 2018	<u>(891,481)</u>	2,658,641

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, principal
payments are recorded as expenditures in the governmental funds but
reduce the 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:

Proceeds from issuance of bonds	(361,514)	
Principal payments	763,829	
Amortization of bond premium	83,507	
Loss on refunding amortized	<u>(103,281)</u>	382,541

Difference between interest on long-term debt on modified accrual
basis versus interest on long-term debt on accrual basis (8,423)

Some expenses reported in the statement of activities do not require the
use of current financial resources and, therefore, are not reported as
expenditures in governmental funds.

Compensated absences	(32,791)
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Balances of capital assets and bonds, accrued interest and compensated absences relative to the Sports Complex transferred from governmental activities to business-type activities (Sports Complex Proprietary Fund)	<u>(10,206,916)</u>
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Total changes in net position at June 30, 2018 in the statement of activities \$ (8,952,971)

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

CITY OF BROUSSARD, LOUISIANA

Combined Statement of Net Position
 Proprietary Funds
 June 30, 2018

	Utility Fund	Sports Complex Fund	Total
ASSETS			
Current assets:			
Cash and interest-bearing deposits	\$ 152,189	\$ 76,945	\$ 229,134
Accounts receivable, net	470,441	-	470,441
Due from other funds	33,468	41,501	74,969
Prepaid insurance	80,627	19,114	99,741
Total current assets	<u>736,725</u>	<u>137,560</u>	<u>874,285</u>
Noncurrent assets:			
Restricted assets -			
Cash and interest-bearing deposits	337,527	1,444,159	1,781,686
Capital assets -			
Land and construction in progress	4,021,505	3,279,449	7,300,954
Capital assets, net	<u>24,988,524</u>	<u>33,567,220</u>	<u>58,555,744</u>
Total noncurrent assets	<u>29,347,556</u>	<u>38,290,828</u>	<u>67,638,384</u>
Total assets	<u>30,084,281</u>	<u>38,428,388</u>	<u>68,512,669</u>
LIABILITIES			
Current liabilities:			
Accounts payable	129,629	25,287	154,916
Contracts payable	33,660	-	33,660
Retainage payable	37,693	-	37,693
Accrued expenses	13,656	-	13,656
Due to other funds	950,435	35,000	985,435
Payable from restricted assets:			
Bonds payable	-	625,000	625,000
Accrued interest	-	172,723	172,723
Customers' deposits (payable from restricted assets)	337,527	-	337,527
Total current liabilities	<u>1,502,600</u>	<u>858,010</u>	<u>2,360,610</u>
Noncurrent liabilities:			
Compensated absences payable	90,921	19,806	110,727
Bonds payable	-	25,955,000	25,955,000
Total noncurrent liabilities	<u>90,921</u>	<u>25,974,806</u>	<u>26,065,727</u>
Total liabilities	<u>1,593,521</u>	<u>26,832,816</u>	<u>28,426,337</u>
NET POSITION			
Net investment in capital assets	29,010,029	10,891,669	39,901,698
Restricted for debt service	-	646,436	646,436
Unrestricted (deficit)	<u>(519,269)</u>	<u>57,467</u>	<u>(461,802)</u>
Total net position	<u>\$28,490,760</u>	<u>\$11,595,572</u>	<u>\$ 40,086,332</u>

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

CITY OF BROUSSARD, LOUISIANA

Combined Statement of Revenues, Expenses and Changes in Fund Net Position
 Proprietary Funds
 For the Year Ended June 30, 2018

	Utility Fund	Sports Complex Fund	Total
Operating revenues:			
Charges for services	\$ 3,037,323	\$ 327,625	\$ 3,364,948
Miscellaneous	<u>506,921</u>	<u>-</u>	<u>506,921</u>
Total operating revenues	<u>3,544,244</u>	<u>327,625</u>	<u>3,871,869</u>
Operating expenses:			
Water	2,397,296	-	2,397,296
Sewer	2,004,105	-	2,004,105
Garbage	981,138	-	981,138
Sports Complex	<u>-</u>	<u>2,360,204</u>	<u>2,360,204</u>
Total operating expenses	<u>5,382,539</u>	<u>2,360,204</u>	<u>7,742,743</u>
Loss from operations	<u>(1,838,295)</u>	<u>(2,032,579)</u>	<u>(3,870,874)</u>
Nonoperating revenues (expenses):			
Interest earned	711	15,175	15,886
Interest and fiscal agency fees	<u>-</u>	<u>(1,080,041)</u>	<u>(1,080,041)</u>
Total nonoperating revenues (expenses)	<u>711</u>	<u>(1,064,866)</u>	<u>(1,064,155)</u>
Loss before capital contributions and transfers	<u>(1,837,584)</u>	<u>(3,097,445)</u>	<u>(4,935,029)</u>
Capital contributions	<u>2,205</u>	<u>10,206,916</u>	<u>10,209,121</u>
Transfers in:			
Transfers from General Fund	-	1,351,337	1,351,337
Transfers from 1992 Sales Tax Fund	800,000	-	800,000
Transfers from TIF Sales Tax Fund	418,212	-	418,212
Transfer from Debt Service Fund	<u>361,513</u>	<u>3,122,007</u>	<u>3,483,520</u>
Total transfers	<u>1,579,725</u>	<u>4,473,344</u>	<u>6,053,069</u>
Change in net position	(255,654)	11,582,815	11,327,161
Net position, beginning	<u>28,746,414</u>	<u>12,757</u>	<u>28,759,171</u>
Net position, ending	<u>\$28,490,760</u>	<u>\$11,595,572</u>	<u>\$ 40,086,332</u>

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

CITY OF BROUSSARD, LOUISIANA

Combined Statement of Cash Flows

Proprietary Funds

For the Year Ended June 30, 2018

	Utility Fund	Sports Complex Fund	Total
Cash flows from operating activities:			
Receipts from customers	\$ 2,982,335	\$ 327,625	\$ 3,309,960
Payments to suppliers	(3,144,079)	(905,995)	(4,050,074)
Payments of employees	(1,009,963)	(651,482)	(1,661,445)
Other income	506,921	-	506,921
Net cash used by operating activities	<u>(664,786)</u>	<u>(1,229,852)</u>	<u>(1,894,638)</u>
Cash flows from noncapital financing activities:			
Cash received from (paid to) other funds	921,953	(19,501)	902,452
Transfers in from other funds	1,579,725	4,473,344	6,053,069
Net cash provided by noncapital financing activities	<u>2,501,678</u>	<u>4,453,843</u>	<u>6,955,521</u>
Cash flows from capital and related financing activities:			
Principal paid on bonds	-	(610,000)	(610,000)
Interest and fiscal agency fees paid on bonds	-	(1,083,024)	(1,083,024)
Net increase in customer deposits payable	32,997	-	32,997
Capital contributions	2,205	-	2,205
Acquisition of capital assets	(1,844,903)	(29,803)	(1,874,706)
Net cash used by capital and related financing activities	<u>(1,809,701)</u>	<u>(1,722,827)</u>	<u>(3,532,528)</u>
Cash flows from investing activities:			
Interest on cash and investments	711	15,175	15,886
Net increase (decrease) in cash	27,902	1,516,339	1,544,241
Cash, beginning of period	461,814	4,765	466,579
Cash, end of period	<u>\$ 489,716</u>	<u>\$ 1,521,104</u>	<u>\$ 2,010,820</u>
Reconciliation of operating loss to net cash used by operating activities			
Operating loss	\$ (1,838,295)	(2,032,579)	\$ (3,870,874)
Adjustments to reconcile operating loss to net cash used by operating activities -			
Depreciation	1,246,970	779,900	2,026,870
Changes in assets and liabilities -			
Accounts receivable	(54,988)	-	(54,988)
Prepaid insurance	(24,192)	(2,698)	(26,890)
Accounts payable	10,223	17,476	27,699
Accrued expenses	1,626	-	1,626
Compensated absences payable	(6,130)	8,049	1,919
Net cash used by operating activities	<u>\$ (664,786)</u>	<u>\$ (1,229,852)</u>	<u>\$ (25,264)</u>

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

CITY OF BROUSSARD, LOUISIANA

Notes to Basic Financial Statements

(1) Summary of Significant Accounting Policies

The accompanying financial statements of the City of Broussard (City) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. 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 Broussard was incorporated in 1884 under the provisions of the Lawrason Act. The City operates under the Mayor-Board of Aldermen form of government.

The financial reporting entity should consist of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the primary government is not accountable, but for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Section 2100 of the 2011 Governmental Accounting Standards Board (GASB) *Codification of Governmental Accounting and Financial Reporting Standards*, "Defining the Financial Reporting Entity" establishes criteria for determining which entities should be considered a component unit and, as such, part of the reporting entity for financial reporting purposes. The basic criteria are as follows:

1. Legal status of the potential component unit including the right to incur its own debt, levy its own taxes and charges, expropriate property in its own name, sue and be sued, and the right to buy, sell and lease property in its own name.
2. Whether the primary government's governing authority (City of Broussard) appoints a majority of board members of the potential component unit and is able to impose its will on the potential component unit or the potential component unit is fiscally dependent on the primary government.
3. Financial benefit/burden relationship between the primary government and the potential component unit.
4. The nature and significance of the relationship between the potential component unit with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading.

CITY OF BROUSSARD, LOUISIANA

Notes to Basic Financial Statements (Continued)

Based on these criteria, the City has identified the following component units:

Broussard Fire Department

The Broussard Fire Department is a non-profit corporation established in 1989 for the purpose of impeding, eradicating and extinguishing all types of destructive fires within or near the City of Broussard. There are five (5) members of the governing board of the Broussard Fire Department, consisting of the Mayor, one member of the Board of Aldermen, the fire chief, and two (2) elected members of the corporation. Bonded debt issued by the Broussard Fire Department must be approved by the City Council.

Complete financial statements for the Broussard Fire Department may be obtained upon request at Broussard City Hall.

Broussard Economic Development Corporation

The Broussard Economic Development Corporation was chartered in 1993. The City of Broussard appoints a majority of the Corporations' Board and has the ability to impose its will on the Corporation.

These primary government financial statements of the City of Broussard do not include the financial data of the component units described above. This component unit financial data is necessary for reporting in conformity with generally accepted accounting principles.

Complete financial statements for the Broussard Economic Development Corporation may be obtained upon request at Broussard City Hall.

These primary government financial statements of the City of Broussard do not include the financial data of the component units described above. This component unit financial data is necessary for reporting in conformity with generally accepted accounting principles.

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 non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

CITY OF BROUSSARD, LOUISIANA

Notes to Basic Financial Statements (Continued)

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

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 proprietary funds, each displayed in a separate column. All remaining funds are aggregated and reported as nonmajor funds.

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. Additionally, it is used to account for the receipt and use of the proceeds of the City's 1975 one percent sales and use tax. These taxes may be used for any lawful public purpose.

CITY OF BROUSSARD, LOUISIANA

Notes to Basic Financial Statements (Continued)

Special Revenue Funds

1992 Sales Tax Fund -

The 1992 Sales Tax Fund is used to account for the receipt and use of the proceeds of the City's 1992 one percent sales and use tax (rededicated in 1998). These taxes are dedicated to be used for (1) constructing, improving, operating and maintaining waterworks facilities, fire protection facilities, and police protection facilities, including the acquisition of equipment therefore, (2) constructing, improving, operating, and maintaining sewers and sewerage disposal works, and (3) constructing, improving, operating and maintaining public streets and bridges and drainage facilities, including the acquisition of equipment therefore, and shall be used to fund any bonds issued for any of the aforesaid purposes to pay for the capital costs thereof.

TIF Sales Tax Fund -

The TIF Sales Tax Fund is used to account for the receipt and use of the proceeds of the City's 2006 one percent TIF District sales and use tax levied on the businesses located in the Broussard Economic Development District. These taxes are dedicated to be used to fund revenue bonds to be issued to finance economic development projects within the District.

2011 Recreational Sales Tax Fund -

The 2011 Recreational Sales Tax Fund is used to account for receipt and use of the proceeds of the City's 2011 one-half percent recreational sales and use tax. These taxes are dedicated to be used for the operations of the park and for the payment of revenue bonds associated with the acquisition, construction, and equipping of recreational facilities and related infrastructure throughout the City.

Capital Projects Funds

Park Capital Projects Fund -

The Park Capital Projects Fund is used to account for the construction of various park projects utilizing the proceeds of the 2012 and the 2015 Recreational Facility Sales Tax Revenue Bonds and City's funds.

LCDBG/Streets Capital Projects Fund -

The LCDBG/Streets Capital Projects Fund is used to account for the improvements of various projects utilizing proceeds from grant revenues and City's funds.

CITY OF BROUSSARD, LOUISIANA

Notes to Basic Financial Statements (Continued)

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 Broussard's enterprise funds are the Utility Fund and the Sports Complex Fund.

In addition, the City reports the following nonmajor governmental funds:

Debt Service Funds –

The debt service funds are used to accumulated monies for payment of the City's various sales tax bonds, which are being financed by the 1975 and 1992 sales taxes revenues.

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:

- 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 funds utilize 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.

CITY OF BROUSSARD, LOUISIANA

Notes to Basic Financial Statements (Continued)

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 funds' statement of cash flows, "cash and cash equivalents" include all demand and savings accounts and certificates of deposits with an original maturity of three months or less.

Interfund receivables and payables

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Those related to goods and services type transactions are classified as "due to and from other funds." Short-term interfund loans are reported as "interfund receivables and payables."

Long-term interfund loans (noncurrent portion) are reported as "advances from and to other funds." Interfund receivables and payables between funds within governmental activities are eliminated in the statement of net position.

CITY OF BROUSSARD, LOUISIANA

Notes to Basic Financial Statements (Continued)

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, franchise taxes, and grant funds. Business-type activities report customer's utility service receivables as their major receivables. Allowances for uncollectible accounts receivable are based on historical trends and the periodic aging of accounts receivable. The allowance for uncollectible utility receivables was \$4,050 at June 30, 2018. Unbilled utility service receivables resulting from utility services rendered between the date of meter reading and billing and the end of the month, are recorded at year-end.

Capital Assets

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

General Fund	\$ 2,500
Utility Fund	5,000

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 the adoption of GASB 34, the City did not have a complete listing of infrastructure. At that time, the City began accumulating infrastructure information prospectively.

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

Buildings and improvements	10 -30 years
Equipment and vehicles	3 - 15 years
Utility system and improvements	7 - 30 years
Infrastructure	10 - 40 years

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

CITY OF BROUSSARD, LOUISIANA

Notes to Basic Financial Statements (Continued)

Restricted Assets

Restricted assets include cash and interest-bearing deposits of the governmental funds and proprietary funds that are legally restricted as to their use. The restricted assets are related to debt service interest sinking and reserve accounts and utility meter deposits.

Long-term debt

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

All long-term debt to be repaid from governmental and business-type resources is 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 principal and interest reported as expenditures. The accounting for proprietary fund long-term debt is the same in the fund statements as it is in the government-wide statements.

Compensated Absences

Unused vacation is paid at the end of each calendar year. Unused sick leave up to 60 days may be carried over, with up to 30 days of the accumulated balance payable at termination of employment. At June 30, 2018, the City has \$472,592 of noncurrent accumulated leave benefits required to be reported in accordance with GASB Statement No. 16 "Accounting for Compensated Absences".

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. Deferred outflows at June 30, 2018 resulted from the loss on the bond refunding. There were no deferred inflows of resources as of June 30, 2018.

CITY OF BROUSSARD, LOUISIANA

Notes to Basic Financial Statements (Continued)

Equity Classifications

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

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

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

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

CITY OF BROUSSARD, LOUISIANA

Notes to Basic Financial Statements (Continued)

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

Proprietary (Utility and Sports Complex) 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 Funds - By Operating and Nonoperating

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

Interfund Transfers

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

F. Revenue Restrictions

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

<u>Revenue Source</u>	<u>Legal Restrictions of Use</u>
Sales tax	See Note 11
Water, sewer and garbage revenue	Utility operations

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

CITY OF BROUSSARD, LOUISIANA

Notes to Basic Financial Statements (Continued)

G. Capitalization of Interest Expense

It is the policy of the City of Broussard to capitalize material amounts of interest resulting from borrowings in the course of the construction of capital assets in the proprietary funds. At June 30, 2018, there were no borrowings for assets under construction and no capitalized interest expense was recorded on the books.

H. 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.

(2) 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, 2018, the City had cash and interest-bearing deposits (book balances) totaling \$18,271,105 as follows:

Non interest-bearing deposits	\$ 136,949
Interest-bearing deposits	16,321,901
Time deposits	<u>1,812,255</u>
Total	<u>\$ 18,271,105</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, 2018, which are required to be secured are as follows:

Bank balances	<u>\$ 18,856,304</u>
Federal deposit insurance	1,250,768
Pledged securities	<u>17,605,536</u>
Total insured and secured bank balances	<u>\$ 18,856,304</u>

CITY OF BROUSSARD, LOUISIANA

Notes to Basic Financial Statements (Continued)

Deposits in the amount of \$17,605,536 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. Even though the pledged securities are considered uncollateralized, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the City that the fiscal agent has failed to pay deposited funds upon demand. The City does not have a policy for custodial credit risk.

(3) Receivables

Receivables at June 30, 2018 consisted of the following:

	General	Sales Tax	Debt Service	Utility	Total
Accounts	\$ -	\$ -	\$ -	\$ 384,941	\$ 384,941
Unbilled utility	-	-	-	85,500	85,500
1975 1% sales taxes	1,109,744	-	-	-	1,109,744
1992 1% sales taxes	-	1,109,743	-	-	1,109,743
TIF sales taxes	-	164,785	-	-	164,785
2011 1/2% sales taxes	-	549,653	-	-	549,653
Franchise taxes	142,819	-	-	-	142,819
Other	11,579	-	167	-	11,746
Totals	<u>\$ 1,264,142</u>	<u>\$ 1,824,181</u>	<u>\$ 167</u>	<u>\$ 470,441</u>	<u>\$ 3,558,931</u>

(4) Due from Other Governmental Units

Due from other governmental units at June 30, 2018 consisted of the following:

General Fund:

Amount due from State of Louisiana for beer tax revenue earned through June 2018	\$ 4,451
Amount due from State of Louisiana for video poker revenue earned through June 2018	<u>25,416</u>
Total General Fund	29,867

2011 Recreational Sales Tax Fund:

Amount due from the Lafayette Parish School System Sales Tax Office for sales tax revenues collected for prior years which were not properly remitted	<u>8,024</u>
Total	<u>\$37,891</u>

CITY OF BROUSSARD, LOUISIANA

Notes to Basic Financial Statements (Continued)

(5) Restricted Assets

Restricted assets consisted of the following at June 30, 2018:

	Governmental Activities	Business-Type Activities	Total
1998 revenue bond and interest sinking fund	\$ 86,712	\$ -	\$ 86,712
2008 and 2015 revenue bond and interest sinking fund	474,523	-	474,523
2011 DEQ bond and interest sinking fund	168,154	-	168,154
2012 revenue bond and interest sinking	-	393,925	393,925
2016 revenue bond and interest sinking	851,301	-	851,301
1998 revenue bond depreciation and contingency fund	19,827	-	19,827
1998 revenue bond reserve fund	85,031	-	85,031
2015 revenue bond reserve fund	202,540	-	202,540
2011 DEQ bond reserve fund	263,631	-	263,631
2012 revenue bond reserve fund	-	1,050,234	1,050,234
2016 revenue bond reserve fund	413,957	-	413,957
Customers' deposits	-	337,527	337,527
Total restricted assets	<u>\$2,565,676</u>	<u>\$1,781,686</u>	<u>\$4,347,362</u>

(6) Capital Assets

Capital asset activity for the year ended June 30, 2018 follows:

	Balance 07/01/17	Additions	Deletions	Balance 06/30/18
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 339,813	\$ 118,358	\$ -	\$ 458,171
Construction in progress	48,806,295	3,273,281	41,037,295	11,042,281
Other capital assets:				
Buildings and improvements	3,151,684	-	-	3,151,684
Equipment and vehicles	3,618,339	179,643	43,610	3,754,372
Infrastructure	12,724,468	3,431,756	-	16,156,224
Totals	<u>68,640,599</u>	<u>7,003,038</u>	<u>41,080,905</u>	<u>34,562,732</u>
Less accumulated depreciation				
Buildings and improvements	1,313,478	116,622	-	1,430,100
Equipment and vehicles	2,602,231	270,113	43,610	2,828,734
Infrastructure	3,946,834	504,746	-	4,451,580
Total accumulated depreciation	<u>7,862,543</u>	<u>891,481</u>	<u>43,610</u>	<u>8,710,414</u>
Governmental activities, capital assets, net	<u>\$60,778,056</u>	<u>\$ 6,111,557</u>	<u>\$41,037,295</u>	<u>\$ 25,852,318</u>

(continued)

CITY OF BROUSSARD, LOUISIANA

Notes to Basic Financial Statements (Continued)

(6) Capital Assets (Continued)

	Balance 07/01/17	Additions	Deletions	Balance 06/30/18
Business-type activities:				
Capital assets not being depreciated:				
Land - sewer system	\$ 1,044,516	\$ -	\$ -	\$ 1,044,516
Land - sports complex	-	3,279,449	-	3,279,449
Construction in progress:				
Utility Fund	6,095,608	1,102,493	4,221,111	2,976,990
Sports Complex	12,387	-	12,387	-
Other capital assets:				
Plant and equipment - water system	10,498,439	1,864,800	-	12,363,239
Plant and equipment - sewer system	23,430,755	2,913,912	-	26,344,667
Buildings - Sports Complex	-	33,558,700	-	33,558,700
Autos and office equipment - utility	1,145,597	45,281	16,102	1,174,776
Equipment - Sports Complex	-	738,330	-	738,330
Vehicle - Sports Complex	-	50,090	-	50,090
Totals	<u>42,227,302</u>	<u>43,553,055</u>	<u>4,249,600</u>	<u>81,530,757</u>
Less accumulated depreciation				
Plant and equipment - water system	6,824,678	369,865	-	7,194,543
Plant and equipment - sewer system	6,091,088	796,002	-	6,887,090
Autos and office equipment - utility	747,525	81,103	16,102	812,526
Buildings - Sports Complex	-	699,140	-	699,140
Equipment - Sports Complex	-	74,981	-	74,981
Vehicle - Sports Complex	-	5,779	-	5,779
Total accumulated depreciation	<u>13,663,291</u>	<u>2,026,870</u>	<u>16,102</u>	<u>15,674,059</u>
Business-type activities, capital assets, net	<u>\$28,564,011</u>	<u>\$ 41,526,185</u>	<u>\$ 4,233,498</u>	<u>\$ 65,856,698</u>

Depreciation expense was charged to governmental activities as follows:

General government	\$ 123,916
Public safety	180,687
Streets	586,878
Total depreciation expense - governmental activities	<u>\$ 891,481</u>

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

Water system	\$ 391,118
Sewer system	855,852
Sports Complex	779,900
Total depreciation expense - business-type activities	<u>\$ 2,026,870</u>

CITY OF BROUSSARD, LOUISIANA

Notes to Basic Financial Statements (Continued)

Construction in progress in the governmental activities in the amount of \$11,042,281 consists of various street improvement and extension projects. During the fiscal year ended June 30, 2018, \$37,584,379 of costs relative to the St. Julien Park Sports Complex were transferred to the Sports Complex Fund. Construction in progress in the business-type activities in the amount of \$2,976,900 consists of costs incurred through June 30, 2018 for various water and sewer improvement projects.

(7) Accounts, Salaries and Other Payables

Accounts, salaries, and other payables consisted of the following at June 30, 2018:

	Governmental Activities	Business-Type Activities	Total
Accounts	\$138,489	\$154,916	\$293,405
Accrued payroll	83,525	13,656	97,181
Collection fees payable	22,317	-	22,317
Contracts	24,476	33,660	58,136
Retainage	329,281	37,693	366,974
Totals	<u>\$598,088</u>	<u>\$239,925</u>	<u>\$838,013</u>

(8) Due to Other Governments

Amounts due to other governments at June 30, 2018 in the amount of \$35,820 consists of \$17,910 for 1975 sales taxes (accounted for in the General Fund) and \$17,910 for 1992 sales taxes due to the Lafayette Parish School System Sales Tax Office for sales taxes erroneously remitted to the City.

(9) Long-Term Liabilities

The following is a summary of long-term liabilities transactions of the City for the year ended June 30, 2018:

	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	Revenue Bonds	Compensated Absences	Revenue Bonds	Compensated Absences
Long-term liabilities, July 1, 2017	\$ 46,234,331	\$340,831	\$ -	\$ 97,051
Transferred from governmental activities to Sports Complex Fund	(27,190,000)	(11,757)	27,190,000	11,757
Additions	361,514	50,154	-	18,899
Deletions	(763,829)	(17,363)	(610,000)	(16,980)
Long-term liabilities, June 30, 2018	<u>\$ 18,642,016</u>	<u>\$361,865</u>	<u>\$ 26,580,000</u>	<u>\$ 110,727</u>

CITY OF BROUSSARD, LOUISIANA

Notes to Basic Financial Statements (Continued)

(9) Long-Term Liabilities (Continued)

Revenue bonds payable at June 30, 2018 is comprised of the following:

	<u>Total</u>	<u>Current Portion</u>
Governmental activities:		
\$995,000 May 28, 1998 Sales Tax Bonds, Series A due in monthly installments of \$5,801 through May 28, 2023; interest at 4.75% payable from the 1% 1975 sales tax revenues.	\$ 302,873	\$ 56,442
\$4,000,000 2011 Sales Tax Bonds due in annual installments ranging from \$95,000 to \$110,000 through May 1, 2032; interest at .95%; secured by a pledge of and payable solely from the proceeds of the 1% 1992 sales tax revenues.	2,379,143	100,000
\$9,225,000 Sales Tax Refunding Bonds, Series 2015, due in annual installments ranging from \$135,000 through \$540,000 through May 1, 2038; interest at 2.0%-5.0%; secured by a pledge of and payable solely from the proceeds of the 1% 1992 sales tax revenues.	8,395,000	345,000
\$7,855,000 Sales Tax Refunding Bonds, Series 2016, due in annual installments ranging from \$290,000 to \$545,000 through May 1, 2037; interest at 2%-4%; secured by a pledge of and payable solely from the proceeds of the 1% 1992 sales tax revenues.	<u>7,565,000</u>	<u>290,000</u>
	18,642,016	<u>\$ 791,442</u>
Add: unamortized bond premium	<u>1,693,163</u>	
Net bonds payable - governmental activities	<u>\$20,335,179</u>	
Business-type activities:		
\$17,205,000 Recreational Facility Sales Tax Revenue Bonds, Series 2012, due in annual installments ranging from \$210,000 through \$950,000 through May 1, 2042; interest at 1%-5%; secured by a pledge of and payable solely from the proceeds of the 1/2% 2011 sales tax revenues.	\$ 15,155,000	\$ 400,000
\$12,000,000 Recreational Facility Sales Tax Revenue Bonds, Series 2015, due in annual installments ranging from \$140,000 through \$830,000 through May 1, 2045; interest at 2%-5%; secured by a pledge of and payable solely from the proceeds of the 1/2% 2011 sales tax revenues.	<u>11,425,000</u>	<u>225,000</u>
Total bonds payable - business-type activities	<u>\$ 26,580,000</u>	<u>\$ 625,000</u>

CITY OF BROUSSARD, LOUISIANA

Notes to Basic Financial Statements (Continued)

The annual debt service requirements to maturity for all bonds payable as of June 30, 2018, are as follows:

<u>Year Ended June 30,</u>	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2019	\$ 791,442	\$ 676,972	\$ 625,000	\$ 1,059,370
2020	814,182	650,782	645,000	1,038,370
2021	842,055	620,209	675,000	1,012,570
2022	865,068	591,546	695,000	990,470
2023	895,126	558,746	725,000	960,170
2024-2028	4,610,000	2,341,048	4,035,000	4,381,878
2029-2033	5,654,143	1,428,580	4,930,000	3,489,572
2034-2038	4,170,000	474,678	6,085,000	2,332,508
2039-2043	-	-	6,540,000	1,055,360
2044-2045	-	-	1,625,000	98,200
	<u>\$ 18,642,016</u>	<u>\$ 7,342,561</u>	<u>\$ 26,580,000</u>	<u>\$ 16,418,468</u>

(10) Prior Year Defeasance of Debt

During the prior year, the City defeased \$7,975,000 of Public Improvement Sales Tax Revenue Bonds, Series 2007 and \$6,555,000 of Public Improvement Sales Tax Revenue Bonds, Series 2008 by purchasing U.S. Government securities and creating separate irrevocable trust funds with an escrow agent. 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, 2018, the amount of defeased sales tax revenue debt outstanding but removed from the financial statements amounts to \$7,720,000 of Series 2007 sales tax revenue bonds and \$0 of Series 2008 sales tax revenue bonds.

(11) Dedication of Proceeds and Flow of Funds-Sales and Use Tax

In 1975, the voters of the City approved a 1% sales tax (collected in the General Fund) to be used for any lawful public purpose.

The terms of the bond indenture relative to 1998 Sales Tax Bonds, Series A pledge and dedicate the proceeds of the 1975 sales tax to the retirement of these bonds and to establish and maintain revenue bond sinking and reserve funds adequate to pay the revenue bonds and interest when due. Remaining revenues may then be used for any purpose for which the tax was authorized. The ordinance also contains provisions which restrict the issuance of additional revenue bonds unless the above-mentioned sinking and reserve funds contain the required amounts and certain financial ratios are met.

In 1992 (rededicated in 1998), voters of the City approved an additional 1% sales tax dedicated to constructing, improving, operating and maintaining waterworks, fire and police protection facilities, sewerage works, streets, bridges and drainage.

CITY OF BROUSSARD, LOUISIANA

Notes to Basic Financial Statements (Continued)

The terms of the bond indentures relative to the Public Improvement Sales Tax Revenue Bonds, Series 2007 and 2008, the 2011 Sales Tax Bonds, and the Sales Tax Refunding Bonds, Series 2015 and 2016 pledge and dedicate the proceeds of the 1992 sales tax to the retirement of these bonds and to establish and maintain revenue bond sinking and reserve funds adequate to pay the revenue bonds and interest on these bonds when due. Remaining revenues may then be used for any purpose for which the tax was authorized. The ordinances also contain provisions which restrict the issuance of additional revenue bonds unless the above mentioned sinking and reserve funds contain the required amounts and certain financial ratios are met.

In 2006, voters of the City approved an additional 1% sales tax dedicated for financing economic development projects in the Broussard Economic Development District.

In 2011, voters of the City approved an additional ½% sales tax dedicated to the payment of revenue bonds associated with the acquisition, construction, and equipping of recreational facilities and related infrastructure throughout the City.

Recreational Facility Sales Tax Revenue Bonds, Series 2012 and Series 2015 ordinances provide that revenues of the 2011 sales tax is to be used to establish and maintain revenue bond sinking and reserve funds adequate to pay the revenue bonds and interest when due. Remaining revenues may then be used for any purpose for which the tax was authorized. The ordinance also contains provisions which restrict the issuance of additional revenue bonds unless the required above mentioned sinking and reserve funds contain the required amounts and certain financial ratios are met.

The City complied with all significant financial requirements of the bond ordinance as of June 30, 2018.

All of the above sales taxes were issued in perpetuity.

(12) Retirement and Deferred Compensation

- A. Employees of the City are members of the Social Security System. The City and its employees contribute a percentage of each employee's salary to the System (7.65 percent by the City; 7.65 percent by the employee). The City's contributions during the years ended 2018, 2017, and 2016, amounted to \$364,567, \$292,322 and \$296,710 respectively.
- B. The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code (IRC) Section 457. The single employer plan, the Town of Broussard Deferred Compensation Plan, is administered by the Hartford, 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 8% to 12% of wages to each participating employee account based on years of service. For the year ended June 30, 2018, the City and employees contributed \$321,429 and \$144,493 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, 2018 was \$4,085,604.

CITY OF BROUSSARD, LOUISIANA

Notes to Basic Financial Statements (Continued)

(13) On-Behalf Payments of Salaries

The State of Louisiana paid the City's policemen \$153,353 of supplemental pay during the year ended June 30, 2018. That amount is included in the accompanying financial statements as intergovernmental revenues and police expense in the government-wide statement of activities.

(14) Risk Management

The City is exposed to risks of loss in the areas of general and auto liability, property hazards, and workers' compensation. Those risks are handled by purchasing commercial insurance. There have been no significant reductions in insurance coverage during the current fiscal year. Settlements have not exceeded insurance coverage during the three-year period ended June 30, 2018.

(15) Litigation and Claims

At June 30, 2018, 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.

(16) Compensation of Mayor and Aldermen

Compensation paid to the Mayor and Alderman for the year ended June 30, 2018 follows:

Charles Langlinais, Mayor	\$ 76,092
Aldermen:	
Angel Racca	18,000
David Bonin	18,000
Raymond Bourque	18,120
Gertrude Baltise	18,000
Johnnie Foco	24,000
Ray Gary	18,000
Kenny Higginbotham	18,200
	<u>\$ 208,412</u>

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

The schedule of compensation, benefits, and other payments to Charles Langlinais, Mayor, for the year ended June 30, 2018 follows:

Salary	\$76,092
Benefits - insurance	7,713
Benefits - retirement	9,131
Cell phone	936
Other (vehicle gas expense)	3,298
	<u>\$97,170</u>

CITY OF BROUSSARD, LOUISIANA

Notes to Basic Financial Statements (Continued)

(18) Interfund Transactions

A. Interfund receivables and payables consisted of the following at June 30, 2018:

	<u>Receivable</u>	<u>Payable</u>
Major funds:		
Governmental funds:		
General Fund	\$ 944,560	\$ 557,379
1992 Sales Tax Special Revenue Fund	2,207,077	1,500,000
TIF Sales Tax Special Revenue Fund	-	193,786
2011 Recreational Sales Tax Special Revenue Fund	801,954	1,222,077
Park Capital Projects Fund	811,399	808,754
LCDBG/Streets Capital Projects Fund	1,027,459	599,987
Proprietary funds:		
Utility Fund	33,468	950,435
Sports Complex Fund	41,501	35,000
Total	<u>\$5,867,418</u>	<u>\$5,867,418</u>

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

B. Interfund transfers consisted of the following at June 30, 2018:

	<u>Transfers In</u>	<u>Transfers Out</u>
Major funds:		
Governmental funds:		
General Fund	\$ 1,000,000	\$ 651,410
1992 Sales Tax Special Revenue Fund	-	5,444,780
TIF Sales Tax Special Revenue Fund	-	418,211
2011 Recreational Sales Tax Special Revenue Fund	-	3,043,366
Park Capital Projects Fund	657,000	-
LCDBG/Streets Capital Projects Fund	2,254,410	-
Proprietary funds:		
Utility Fund	1,579,725	-
Sports Complex Fund	4,473,344	-
Non-major funds - debt service funds	2,944,010	3,350,722
Total	<u>\$ 12,908,489</u>	<u>\$ 12,908,489</u>

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

**REQUIRED
SUPPLEMENTARY INFORMATION**

CITY OF BROUSSARD, LOUISIANA
General Fund

Budgetary Comparison Schedule
For the Year Ended June 30, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 5,705,831	\$ 6,675,027	\$ 6,796,086	\$ 121,059
Licenses and permits	1,535,000	1,566,300	1,630,999	64,699
Intergovernmental	318,970	264,090	287,411	23,321
Fines and forfeits and seizures	350,000	320,000	262,087	(57,913)
Miscellaneous	66,600	120,892	128,980	8,088
Total revenues	<u>7,976,401</u>	<u>8,946,309</u>	<u>9,105,563</u>	<u>159,254</u>
Expenditures:				
Current -				
General government	2,207,680	2,340,384	2,325,342	15,042
Public safety:				
Police	2,663,419	2,674,514	2,758,414	(83,900)
Fire	1,029,770	1,024,691	1,096,895	(72,204)
Streets and drainage	2,810,600	2,862,934	2,977,326	(114,392)
Capital outlay	399,385	485,766	392,241	93,525
Total expenditures	<u>9,110,854</u>	<u>9,388,289</u>	<u>9,550,218</u>	<u>(161,929)</u>
Deficiency of revenue over expenditures	<u>(1,134,453)</u>	<u>(441,980)</u>	<u>(444,655)</u>	<u>(2,675)</u>
Other financing sources (uses):				
Transfers from 1992 Sales Tax Fund	-	1,000,000	1,000,000	-
Transfer to Park Capital Projects Fund	-	(647,000)	(647,000)	-
Transfer to LCDBG/Streets Fund	(420,000)	-	(4,410)	(4,410)
Total other financing sources (uses)	<u>(420,000)</u>	<u>353,000</u>	<u>348,590</u>	<u>(4,410)</u>
Net change in fund balance	(1,554,453)	(88,980)	(96,065)	(7,085)
Fund balance, beginning	<u>7,377,702</u>	<u>7,377,702</u>	<u>7,377,702</u>	<u>-</u>
Fund balance, ending	<u>\$ 5,823,249</u>	<u>\$ 7,288,722</u>	<u>\$ 7,281,637</u>	<u>\$ (7,085)</u>

CITY OF BROUSSARD, LOUISIANA
1992 Sales Tax Special Revenue Fund

Budgetary Comparison Schedule
For the Year Ended June 30, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes -				
Sales taxes - 1%	\$ 4,620,443	\$ 5,516,838	\$ 5,686,366	\$ 169,528
Miscellaneous -				
Interest	<u>2,475</u>	<u>3,699</u>	<u>10,518</u>	<u>6,819</u>
Total revenues	<u>4,622,918</u>	<u>5,520,537</u>	<u>5,696,884</u>	<u>176,347</u>
Expenditures:				
Current -				
General government:				
Collection fees	24,095	50,769	52,289	(1,520)
Professional fees	<u>21,600</u>	<u>20,445</u>	<u>19,725</u>	<u>720</u>
Total expenditures	<u>45,695</u>	<u>71,214</u>	<u>72,014</u>	<u>(800)</u>
Excess of revenues over expenditures	<u>4,577,223</u>	<u>5,449,323</u>	<u>5,624,870</u>	<u>175,547</u>
Other financing uses:				
Transfers to General Fund	-	(1,000,000)	(1,000,000)	-
Transfers to Utility Fund	-	(800,000)	(800,000)	-
Transfers to debt service funds	(1,479,874)	(1,480,481)	(1,384,780)	95,701
Transfer to Park Capital Project Fund	-	-	(10,000)	(10,000)
Transfers to LCDBG/Streets Fund	<u>(4,015,000)</u>	<u>(2,250,000)</u>	<u>(2,250,000)</u>	<u>-</u>
Total other financing uses	<u>(5,494,874)</u>	<u>(5,530,481)</u>	<u>(5,444,780)</u>	<u>85,701</u>
Net change in fund balance	(917,651)	(81,158)	180,090	261,248
Fund balance, beginning	<u>5,315,145</u>	<u>5,315,145</u>	<u>5,315,145</u>	<u>-</u>
Fund balance, ending	<u>\$ 4,397,494</u>	<u>\$ 5,233,987</u>	<u>\$ 5,495,235</u>	<u>\$ 261,248</u>

CITY OF BROUSSARD, LOUISIANA
TIF Sales Tax Special Revenue Fund

Budgetary Comparison Schedule
For the Year Ended June 30, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes -				
Sales taxes	\$ 613,709	\$ 612,823	\$ 629,275	\$ 16,452
Miscellaneous -				
Interest	3,301	2,627	3,028	401
Total revenues	<u>617,010</u>	<u>615,450</u>	<u>632,303</u>	<u>16,853</u>
Expenditures:				
Current -				
General government:				
Collection fees	6,505	6,000	6,261	(261)
Professional fees	<u>9,500</u>	<u>9,500</u>	<u>9,120</u>	<u>380</u>
Total general government	16,005	15,500	15,381	119
Capital outlay	<u>735,000</u>	<u>152,406</u>	<u>74,941</u>	<u>77,465</u>
Total expenditures	<u>751,005</u>	<u>167,906</u>	<u>90,322</u>	<u>77,584</u>
Excess (deficiency) of revenues over expenditures	(133,995)	447,544	541,981	94,437
Other financing uses:				
Transfers to Utility Fund	<u>(173,000)</u>	<u>(406,419)</u>	<u>(418,211)</u>	<u>(11,792)</u>
Net change in fund balance	(306,995)	41,125	123,770	82,645
Fund balance, beginning	<u>2,979,568</u>	<u>2,979,568</u>	<u>2,979,568</u>	<u>-</u>
Fund balance, ending	<u>\$ 2,672,573</u>	<u>\$ 3,020,693</u>	<u>\$ 3,103,338</u>	<u>\$ 82,645</u>

CITY OF BROUSSARD, LOUISIANA
2011 Recreation Sales Tax Special Revenue Fund

Budgetary Comparison Schedule
For the Year Ended June 30, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Taxes -				
Sales taxes - 1/2%	\$ 2,265,691	\$ 2,744,715	\$ 2,826,614	\$ 81,899
Miscellaneous -				
Interest	<u>3,916</u>	<u>1,735</u>	<u>2,661</u>	<u>926</u>
Total revenues	<u>2,269,607</u>	<u>2,746,450</u>	<u>2,829,275</u>	<u>82,825</u>
Expenditures:				
Current -				
General government:				
Collection fees	13,000	25,339	24,298	1,041
Professional fees	9,322	10,000	10,780	(780)
Other	<u>-</u>	<u>-</u>	<u>370</u>	<u>(370)</u>
Total expenditures	<u>22,322</u>	<u>35,339</u>	<u>35,448</u>	<u>(109)</u>
Excess of revenues over expenditures	<u>2,247,285</u>	<u>2,711,111</u>	<u>2,793,827</u>	<u>82,716</u>
Other financing uses:				
Transfer to Sports Complex Fund	-	(1,351,357)	(1,351,337)	20
Transfers to Park Capital Projects Fund	285,500	-	-	-
Transfers to 2012 Sales Tax Bond Fund	988,248	(988,131)	(993,158)	(5,027)
Transfers to 2015 Sales Tax Bond Fund	<u>698,871</u>	<u>(698,871)</u>	<u>(698,871)</u>	<u>-</u>
Total other financing uses	<u>1,972,619</u>	<u>(3,038,359)</u>	<u>(3,043,366)</u>	<u>(5,007)</u>
Net change in fund balance	4,219,904	(327,248)	(249,539)	77,709
Fund balance, beginning	<u>1,445,744</u>	<u>1,445,744</u>	<u>1,445,744</u>	<u>-</u>
Fund balance, ending	<u>\$ 5,665,648</u>	<u>\$ 1,118,496</u>	<u>\$ 1,196,205</u>	<u>\$ 77,709</u>

CITY OF BROUSSARD, 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. The City Clerk submits no later than 15 days prior to the beginning of each fiscal year, a proposed budget to the Mayor and Board of Aldermen.
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 an ordinance prior to the commencement of the fiscal year for which the budget is being adopted.
5. Budgetary amendments involving an increase in a fund's appropriations require the approval of the Board of Aldermen. The Mayor may transfer budget amounts between departments within any fund. The level of budgetary control is by total appropriations (by fund); however, for report purposes, the budgetary information has been expanded.
6. All budgetary appropriations lapse at the end of each fiscal year.
7. Budgets for all funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted or as amended by the Board of Aldermen.

OTHER SUPPLEMENTARY INFORMATION

CITY OF BROUSSARD, LOUISIANA

Statement of Net Position
 June 30, 2018
 With Comparative Totals for June 30, 2017

	2018		2017 Totals	
	Governmental Activities	Business- Type Activities		Total
ASSETS				
Current assets:				
Cash and interest-bearing deposits	\$13,694,609	\$ 229,134	\$ 13,923,743	\$17,798,985
Receivables, net	3,088,490	470,441	3,558,931	2,942,831
Internal balances	910,466	(910,466)	-	-
Due from other governments	37,891	-	37,891	29,006
Prepaid items	182,387	99,741	282,128	257,955
Total current assets	<u>17,913,843</u>	<u>(111,150)</u>	<u>17,802,693</u>	<u>21,028,777</u>
Noncurrent assets:				
Restricted assets -				
Cash and interest-bearing deposits	2,565,676	1,781,686	4,347,362	4,373,199
Capital assets -				
Land and construction in progress	11,500,452	7,300,954	18,801,406	56,298,618
Capital assets, net	<u>14,351,866</u>	<u>58,555,744</u>	<u>72,907,610</u>	<u>33,043,449</u>
Total noncurrent assets	<u>28,417,994</u>	<u>67,638,384</u>	<u>96,056,378</u>	<u>93,715,266</u>
Total assets	<u>46,331,837</u>	<u>67,527,234</u>	<u>113,859,071</u>	<u>114,744,043</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred loss on bond refunding	<u>531,847</u>	<u>-</u>	<u>531,847</u>	<u>635,128</u>
LIABILITIES				
Current liabilities:				
Accounts, salaries and other payables	598,088	239,925	838,013	3,047,263
Due to other governments	35,820	-	35,820	166,338
Bonds payable	791,442	625,000	1,416,442	1,373,829
Accrued interest payable	108,229	172,723	280,952	275,512
Customers' deposits	-	337,527	337,527	304,530
Total current liabilities	<u>1,533,579</u>	<u>1,375,175</u>	<u>2,908,754</u>	<u>5,167,472</u>
Noncurrent liabilities:				
Compensated absences payable	361,865	110,727	472,592	437,882
Bonds payable	<u>19,543,737</u>	<u>25,955,000</u>	<u>45,498,737</u>	<u>46,637,172</u>
Total noncurrent liabilities	<u>19,905,602</u>	<u>26,065,727</u>	<u>45,971,329</u>	<u>47,075,054</u>
Total liabilities	<u>21,439,181</u>	<u>27,440,902</u>	<u>48,880,083</u>	<u>52,242,526</u>
NET POSITION				
Net investment in capital assets	13,613,986	39,901,698	53,515,684	47,158,883
Restricted for sales tax dedications	9,794,778	-	9,794,778	9,740,457
Restricted for debt service	2,457,447	646,436	3,103,883	3,793,157
Unrestricted (deficit)	<u>(441,708)</u>	<u>(461,802)</u>	<u>(903,510)</u>	<u>2,444,148</u>
Total net position	<u>\$25,424,503</u>	<u>\$40,086,332</u>	<u>\$ 65,510,835</u>	<u>\$63,136,645</u>

CITY OF BROUSSARD, LOUISIANA
General Fund

Schedule of Revenues
Budget (GAAP Basis) and Actual
For the Year Ended June 30, 2018
With Comparative Actual Amounts for the Year Ended June 30, 2017

	2018		Variance - Positive (Negative)	2017 Actual
	Budget	Actual		
Revenues:				
Taxes -				
Franchise taxes	\$ 1,118,189	\$ 1,109,720	\$ (8,469)	\$ 1,068,231
Sales taxes - 1%	5,556,838	5,686,366	129,528	4,838,729
Total taxes	<u>6,675,027</u>	<u>6,796,086</u>	<u>121,059</u>	<u>5,906,960</u>
Licenses and permits -				
Occupational licenses	775,970	782,018	6,048	725,385
Insurance licenses	290,330	362,153	71,823	354,533
Permits	500,000	486,828	(13,172)	461,353
Total licenses and permits	<u>1,566,300</u>	<u>1,630,999</u>	<u>64,699</u>	<u>1,541,271</u>
Intergovernmental -				
Federal sources -				
FEMA flood damage	-	-	-	138,197
State sources -				
Video poker	70,010	89,942	19,932	89,468
On-behalf payments	150,000	153,353	3,353	150,667
Beer taxes	17,110	16,426	(684)	17,759
Highway maintenance	3,570	3,570	-	3,570
Resource officer	23,400	24,120	720	23,400
Lafayette Consolidated Government	-	-	-	7,219
Total intergovernmental	<u>264,090</u>	<u>287,411</u>	<u>23,321</u>	<u>430,280</u>
Fines and forfeits and seizures	<u>320,000</u>	<u>262,087</u>	<u>(57,913)</u>	<u>260,563</u>
Miscellaneous -				
Interest	3,762	16,995	13,233	16,911
Planning/review fees	16,350	14,374	(1,976)	5,836
Insurance claim	-	-	-	46,645
Other	100,780	97,611	(3,169)	45,197
Total miscellaneous	<u>120,892</u>	<u>128,980</u>	<u>8,088</u>	<u>114,589</u>
Total revenues	<u>\$ 8,946,309</u>	<u>\$ 9,105,563</u>	<u>\$ 159,254</u>	<u>\$ 8,253,663</u>

CITY OF BROUSSARD, LOUISIANA
General Fund

Schedule of Expenditures
Budget (GAAP Basis) and Actual
For the Year Ended June 30, 2018

With Comparative Actual Amounts for the Year Ended June 30, 2017

	2018		Variance - Positive (Negative)	2017 Actual
	Budget	Actual		
Current -				
General government:				
Salaries	\$ 562,140	\$ 564,429	\$ (2,289)	\$ 490,656
Payroll taxes	41,280	42,299	(1,019)	36,958
Group insurance	107,590	107,577	13	99,798
Retirement	39,425	40,823	(1,398)	38,573
Auto	7,155	4,114	3,041	3,485
Insurance	103,804	98,812	4,992	101,293
Office	16,090	14,828	1,262	16,187
Utilities	26,610	26,218	392	26,003
Telephone	12,860	13,974	(1,114)	15,262
Advertising	13,000	13,764	(764)	9,774
Animal control	-	-	-	756
Economic development	200,000	199,026	974	100,000
Dues and subscriptions	4,020	4,009	11	6,670
Sales tax collection fees	50,768	54,494	(3,726)	51,099
Supplies	21,912	20,244	1,668	14,960
Legal	108,000	96,944	11,056	84,653
Accounting	36,720	30,580	6,140	24,065
Engineering	255,880	249,028	6,852	289,034
Professional fees	178,480	179,693	(1,213)	158,599
Building inspection fees	357,086	363,059	(5,973)	344,895
Miscellaneous	29,000	29,257	(257)	28,888
Magistrate court	48,012	45,249	2,763	35,043
Repairs and maintenance	114,552	120,921	(6,369)	59,372
Civil service salaries	6,000	6,000	-	6,000
Total general government	<u>2,340,384</u>	<u>2,325,342</u>	<u>15,042</u>	<u>2,042,023</u>
Public safety:				
Police department -				
Salaries	1,440,928	1,474,476	(33,548)	1,339,353
On-behalf payments - salaries	150,000	153,353	(3,353)	150,667
Payroll taxes	127,600	117,851	9,749	108,952
Retirement	100,890	106,586	(5,696)	91,341
Group insurance	281,299	306,390	(25,091)	262,211
Insurance	170,000	197,482	(27,482)	153,939
Auto	165,562	165,605	(43)	146,124
Auto allowance	7,200	7,200	-	7,200
Uniforms and supplies	58,320	58,557	(237)	58,453
Legal	643	385	258	2,173
Accounting	13,357	13,932	(575)	16,025
Miscellaneous	25,000	23,935	1,065	22,618
K-9 expenses	2,000	1,099	901	1,955
Repairs and maintenance	59,237	59,998	(761)	48,570
Training	11,000	11,665	(665)	13,302
Utilities and communication	61,478	59,900	1,578	51,463
Total police department	<u>2,674,514</u>	<u>2,758,414</u>	<u>(83,900)</u>	<u>2,474,346</u>

(continued)

CITY OF BROUSSARD, LOUISIANA

General Fund

Schedule of Expenditures

Budget (GAAP Basis) and Actual (Continued)

For the Year Ended June 30, 2018

With Comparative Actual Amounts for the Year Ended June 30, 2017

	2018		Variance - Positive (Negative)	2017 Actual
	Budget	Actual		
Fire department -				
Appropriation to Broussard Fire Department:				
Operations	969,691	965,322	4,369	793,191
Capital	55,000	131,573	(76,573)	267,000
Total fire department	<u>1,024,691</u>	<u>1,096,895</u>	<u>(72,204)</u>	<u>1,060,191</u>
Total public safety	<u>3,699,205</u>	<u>3,855,309</u>	<u>(156,104)</u>	<u>3,534,537</u>
Streets and drainage:				
Salaries	1,070,000	1,072,633	(2,633)	937,955
Payroll taxes	77,970	77,149	821	68,402
Retirement	89,360	94,633	(5,273)	86,926
Group insurance	230,392	233,494	(3,102)	200,604
Insurance	184,709	178,948	5,761	171,931
Auto	65,000	63,295	1,705	74,266
Equipment rent	40,000	40,035	(35)	19,510
Equipment operating costs	50,000	50,106	(106)	56,729
Street and drainage maintenance	455,000	590,306	(135,306)	412,420
Drainage studies - engineering	165,000	161,031	3,969	-
Professional	25,000	24,232	768	13,853
Engineering	80,000	77,478	2,522	87,668
Utilities and communication	137,000	128,358	8,642	138,834
Uniforms and supplies	58,503	51,518	6,985	49,929
Casual labor	125,000	125,034	(34)	54,981
Miscellaneous	10,000	9,076	924	9,889
Total streets and drainage	<u>2,862,934</u>	<u>2,977,326</u>	<u>(114,392)</u>	<u>2,383,897</u>

(continued)

CITY OF BROUSSARD, LOUISIANA
General Fund

Schedule of Expenditures
Budget (GAAP Basis) and Actual (Continued)
For the Year Ended June 30, 2018

With Comparative Actual Amounts for the Year Ended June 30, 2017

	2018		Variance - Positive (Negative)	2017 Actual
	Budget	Actual		
Capital outlay:				
General government -				
City Hall improvements	-	-	-	33,625
School Board property	20,388	20,388	-	297,500
Police -				
Vehicles and equipment	163,350	159,253	4,097	237,520
Streets and drainage -				
Street improvements	218,080	124,569	93,511	-
Sidewalk project	-	-	-	7,612
Dainage project - District 2	81,448	88,031	(6,583)	9,472
Vehicles and equipment	2,500	-	2,500	285,633
Total capital outlay	<u>485,766</u>	<u>392,241</u>	<u>93,525</u>	<u>871,362</u>
 Total expenditures	 <u>\$ 9,388,289</u>	 <u>\$ 9,550,218</u>	 <u>\$ (161,929)</u>	 <u>\$ 8,831,819</u>

CITY OF BROUSSARD, LOUISIANA
1992 Sales Tax Special Revenue Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget (GAAP Basis) and Actual
For the Year Ended June 30, 2018
With Comparative Actual Amounts for the Year Ended June 30, 2017

	2018		Variance with Final Budget Positive (Negative)	2017 Actual
	Budget	Actual		
Revenues:				
Taxes -				
Sales taxes - 1%	\$ 5,516,838	\$ 5,686,366	\$ 169,528	\$ 4,838,729
Miscellaneous -				
Interest	<u>3,699</u>	<u>10,518</u>	<u>6,819</u>	<u>6,529</u>
Total revenues	<u>5,520,537</u>	<u>5,696,884</u>	<u>176,347</u>	<u>4,845,258</u>
Expenditures:				
Current -				
General government:				
Collection fees	50,769	52,289	(1,520)	50,821
Professional fees	<u>20,445</u>	<u>19,725</u>	<u>720</u>	<u>19,290</u>
Total expenditures	<u>71,214</u>	<u>72,014</u>	<u>(800)</u>	<u>70,111</u>
Excess of revenues over expenditures	<u>5,449,323</u>	<u>5,624,870</u>	<u>175,547</u>	<u>4,775,147</u>
Other financing sources (uses):				
Transfer from (to) General Fund	(1,000,000)	(1,000,000)	-	(1,236,853)
Transfer to Utility Fund	(800,000)	(800,000)	-	(1,370,000)
Transfers to debt service funds	(1,480,481)	(1,384,780)	95,701	(1,968,077)
Transfer to Park Capital Project Fund	-	(10,000)	(10,000)	-
Transfers to LCDBG/Streets Fund	<u>(2,250,000)</u>	<u>(2,250,000)</u>	<u>-</u>	<u>(1,000,000)</u>
Total other financing sources (uses)	<u>(5,530,481)</u>	<u>(5,444,780)</u>	<u>85,701</u>	<u>(5,574,930)</u>
Net change in fund balance	(81,158)	180,090	261,248	(799,783)
Fund balance, beginning	<u>5,315,145</u>	<u>5,315,145</u>	<u>-</u>	<u>6,114,928</u>
Fund balance, ending	<u>\$ 5,233,987</u>	<u>\$ 5,495,235</u>	<u>\$ 261,248</u>	<u>\$ 5,315,145</u>

CITY OF BROUSSARD, LOUISIANA
TIF Sales Tax Special Revenue Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget (GAAP Basis) and Actual
For the Year Ended June 30, 2018
With Comparative Actual Amounts for the Year Ended June 30, 2017

	2018		Variance with Final Budget Positive (Negative)	2017 Actual
	Budget	Actual		
Revenues:				
Taxes -				
Sales taxes	\$ 612,823	\$ 629,275	\$ 16,452	\$ 620,498
Miscellaneous -				
Interest	2,627	3,028	401	3,516
Total revenues	<u>615,450</u>	<u>632,303</u>	<u>16,853</u>	<u>624,014</u>
Expenditures:				
Current -				
General government:				
Collection fees	6,000	6,261	(261)	6,258
Professional fees	9,500	9,120	380	8,600
Total general government	<u>15,500</u>	<u>15,381</u>	<u>119</u>	<u>14,858</u>
Capital outlay -				
Streets and drainage:				
St. Nazaire Road	152,406	74,941	77,465	232,435
Total capital outlay	<u>152,406</u>	<u>74,941</u>	<u>77,465</u>	<u>232,435</u>
Total expenditures	<u>167,906</u>	<u>90,322</u>	<u>77,584</u>	<u>247,293</u>
Excess of revenues over expenditures	447,544	541,981	94,437	376,721
Other financing uses:				
Transfers to Utility Fund	<u>(406,419)</u>	<u>(418,211)</u>	<u>(11,792)</u>	<u>(955,581)</u>
Net change in fund balance	41,125	123,770	82,645	(578,860)
Fund balance, beginning	<u>2,979,568</u>	<u>2,979,568</u>	-	<u>3,558,428</u>
Fund balance, ending	<u>\$ 3,020,693</u>	<u>\$ 3,103,338</u>	<u>\$ 82,645</u>	<u>\$2,979,568</u>

CITY OF BROUSSARD, LOUISIANA
2011 Recreational Sales Tax Special Revenue Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget (GAAP Basis) and Actual
For the Year Ended June 30, 2018
With Comparative Actual Amounts for the Year Ended June 30, 2017

	2018		Variance with Final Budget Positive (Negative)	2017 Actual
	Budget	Actual		
Revenues:				
Taxes -				
Sales taxes - 1/2%	\$ 2,744,715	\$ 2,826,614	\$ 81,899	\$ 2,416,820
Miscellaneous -				
Interest	1,735	2,661	926	4,526
Total revenues	<u>2,746,450</u>	<u>2,829,275</u>	<u>82,825</u>	<u>2,421,346</u>
Expenditures:				
Current -				
General government:				
Collection fees	25,339	24,298	1,041	22,312
Professional fees	10,000	10,780	(780)	7,975
Other	-	370	(370)	366
Total expenditures	<u>35,339</u>	<u>35,448</u>	<u>(109)</u>	<u>30,653</u>
Excess of revenues over expenditures	<u>2,711,111</u>	<u>2,793,827</u>	<u>82,716</u>	<u>2,390,693</u>
Other financing uses:				
Transfer to Sports Complex Fund	(1,351,357)	(1,351,337)	20	-
Transfers to Park Capital Projects Fund	-	-	-	(8,100,000)
Transfers to 2012 Sales Tax Bond Fund	(988,131)	(993,158)	(5,027)	(1,072,655)
Transfers to 2015 Sales Tax Bond Fund	(698,871)	(698,871)	-	(616,072)
Total other financing uses	<u>(3,038,359)</u>	<u>(3,043,366)</u>	<u>(5,007)</u>	<u>(9,788,727)</u>
Net change in fund balance	(327,248)	(249,539)	77,709	(7,398,034)
Fund balance, beginning	<u>1,445,744</u>	<u>1,445,744</u>	-	<u>8,843,778</u>
Fund balance, ending	<u>\$ 1,118,496</u>	<u>\$ 1,196,205</u>	<u>\$ 77,709</u>	<u>\$ 1,445,744</u>

CITY OF BROUSSARD, LOUISIANA
Park Capital Projects Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget (GAAP Basis) and Actual
For the Year Ended June 30, 2018
With Comparative Actual Amounts for the Year Ended June 30, 2017

	2018		Variance with Final Budget Positive (Negative)	2017
	Budget	Actual		
Revenues:				
Miscellaneous -				
Interest	\$ 4,000	\$ 574	\$ (3,426)	\$ 11,605
Expenditures:				
Current -				
General government:				
Professional fees	7,038	4,300	2,738	20,152
Capital outlay -				
Parks and recreation:				
St. Julian Park - Phase I	-	-	-	13,907
St. Julian Park - Phase II	600,107	612,148	(12,041)	13,865,666
St. Julian Park - Phase III Lighting	5,825	5,825	-	649,096
Equipment	33,178	33,178	-	556,192
Total capital outlay	639,110	651,151	(12,041)	15,084,861
Total expenditures	646,148	655,451	(9,303)	15,105,013
Deficiency of revenues over expenditures	(642,148)	(654,877)	(12,729)	(15,093,408)
Other financing sources:				
Transfers from 2011 Recreation Sales Tax Fund	-	-	-	8,100,000
Transfers from 1992 Sales Tax Fund	-	10,000	10,000	786,000
Transfer from General Fund	647,000	647,000	-	-
Total other financing sources	647,000	657,000	10,000	8,886,000
Net change in fund balance	4,852	2,123	(2,729)	(6,207,408)
Fund balance, beginning	1,930	1,930	-	6,209,338
Fund balance, ending	\$ 6,782	\$ 4,053	\$ (2,729)	\$ 1,930

CITY OF BROUSSARD, LOUISIANA
LCDBG/Streets Capital Projects Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget (GAAP Basis) and Actual
For the Year Ended June 30, 2018
With Comparative Actual Amounts for the Year Ended June 30, 2017

	2018		Variance with Final Budget Positive (Negative)	2017
	Budget	Actual		
Revenues:				
Miscellaneous -				
Contribution from developer	\$ -	\$ -	\$ -	\$ 80,000
Interest	2,000	-	(2,000)	4,832
Total revenues	<u>2,000</u>	<u>-</u>	<u>(2,000)</u>	<u>84,832</u>
Expenditures:				
Current -				
General government:				
Professional fees	55,613	4,870	50,743	9,080
Office expenditures	-	-	-	24
Total general government	<u>55,613</u>	<u>4,870</u>	<u>50,743</u>	<u>9,104</u>
Capital outlay -				
Streets and drainage:				
South Bernard/Fairfield Road extension	1,014,215	976,668	37,547	2,789,957
South Bernard (Hwy 90 to Highway 182)	148,594	148,286	308	561,999
South Bernard (Hwy 182 to Albertson Pkwy)	16,520	16,520	-	50,506
Overlay Highway 182	-	-	-	157,243
Three-lane Main Street	15,112	15,112	-	7,598
Cypress Bayou Lateral 2 - Div II	341,446	341,446	-	9,444
Cypress Bayou Lateral 2 and 4	-	-	-	58,391
Cypress Bayou Lateral 4-B	746,360	752,681	(6,321)	76,763
North Bernard drainage improvements	-	-	-	195,746
LA Hwy 182 Industrial Park	148,440	149,942	(1,502)	303,623
Highway 90 East/Garber Drainage	5,000	5,724	(724)	-
Vivian Drive Drainage	42,160	46,570	(4,410)	6,269
Total capital outlay	<u>2,477,847</u>	<u>2,452,949</u>	<u>24,898</u>	<u>4,217,539</u>
Total expenditures	<u>2,533,460</u>	<u>2,457,819</u>	<u>75,641</u>	<u>4,226,643</u>
Deficiency of revenues over expenditures	<u>(2,531,460)</u>	<u>(2,457,819)</u>	<u>73,641</u>	<u>(4,141,811)</u>
Other financing sources (uses):				
Transfer from General Fund	-	4,410	4,410	-
Transfers from 1992 Sales Tax Fund	2,250,000	2,250,000	-	1,000,000
Transfers to Park Capital Projects Fund	-	-	-	(786,000)
Total other financing sources (uses)	<u>2,250,000</u>	<u>2,254,410</u>	<u>4,410</u>	<u>214,000</u>
Net change in fund balance	(281,460)	(203,409)	78,051	(3,927,811)
Fund balance, beginning	<u>402,876</u>	<u>402,876</u>	<u>-</u>	<u>4,330,687</u>
Fund balance, ending	<u>\$ 121,416</u>	<u>\$ 199,467</u>	<u>\$ 78,051</u>	<u>\$ 402,876</u>

CITY OF BROUSSARD, LOUISIANA
Nonmajor Governmental Funds

Combining Balance Sheet
June 30, 2018
With Comparative Totals for June 30, 2017

	Debt Service Funds						Totals	
	1998 Sales Tax Bond	2005 Sales Tax Bond	2007/2016 Sales Tax Bond	2008/2015 Sales Tax Bond	2011 DEQ Bond	2012 Sales Tax Bond	2018	2017
ASSETS								
Cash and interest-bearing deposits	\$177,045	\$ 14,508	\$1,265,229	\$ 677,063	\$431,664	\$ -	\$2,565,509	\$4,068,251
Accrued interest receivable	18	-	28	-	121	-	167	418
Total assets	<u>\$177,063</u>	<u>\$ 14,508</u>	<u>\$1,265,257</u>	<u>\$ 677,063</u>	<u>\$431,785</u>	<u>\$ -</u>	<u>\$2,565,676</u>	<u>\$4,068,669</u>
LIABILITIES AND FUND BALANCES								
Liabilities:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fund balances:								
Restricted for debt service	<u>177,063</u>	<u>14,508</u>	<u>1,265,257</u>	<u>677,063</u>	<u>431,785</u>	<u>-</u>	<u>2,565,676</u>	<u>4,068,669</u>
Total liabilities and fund balances	<u>\$177,063</u>	<u>\$ 14,508</u>	<u>\$1,265,257</u>	<u>\$ 677,063</u>	<u>\$431,785</u>	<u>\$ -</u>	<u>\$2,565,676</u>	<u>\$4,068,669</u>

CITY OF BROUSSARD, LOUISIANA
Nonmajor Governmental Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Year Ended June 30, 2018
With Comparative Totals for Year Ended June 30, 2017

	Debt Service Funds						Totals	
	1998 Sales Tax Bond	2005 Sales Tax Bond	2007/2016 Sales Tax Bond	2008/2015 Sales Tax Bond	2011 DEQ Bond	2012 Sales Tax Bond	2018	2017
Revenues:								
Miscellaneous - interest earned	\$ 1,931	\$ -	\$ 5,846	\$ 2,052	\$ 684	\$ -	\$ 10,513	\$ 19,202
Expenditures:								
Debt service -								
Principal retirement	53,829	-	290,000	325,000	95,000	-	763,829	1,446,337
Interest and fiscal charges	15,847	-	286,100	381,967	20,565	-	704,479	1,836,588
Total expenditures	69,676	-	576,100	706,967	115,565	-	1,468,308	3,282,925
Deficiency of revenues over expenditures	(67,745)	-	(570,254)	(704,915)	(114,881)	-	(1,457,795)	(3,263,723)
Other financing sources (uses):								
Proceeds from issuance of debt	-	-	-	-	361,514	-	361,514	-
Transfers in	73,186	-	476,433	702,362	-	1,692,029	2,944,010	3,656,804
Transfers out	-	-	-	-	(228,715)	(3,122,007)	(3,350,722)	-
Total other financing sources (uses)	73,186	-	476,433	702,362	132,799	(1,429,978)	(45,198)	3,656,804
Net change in fund balance	5,441	-	(93,821)	(2,553)	17,918	(1,429,978)	(1,502,993)	393,081
Fund balances, beginning	171,622	14,508	1,359,078	679,616	413,867	1,429,978	4,068,669	3,675,588
Fund balances, ending	\$ 177,063	\$ 14,508	\$ 1,265,257	\$ 677,063	\$ 431,785	\$ -	\$ 2,565,676	\$ 4,068,669

CITY OF BROUSSARD, LOUISIANA
Enterprise Fund
Utility Fund

Schedule of Number of Utility Customers
(Unaudited)
June 30, 2018 and 2017

Records maintained by the City indicated the following number of customers were being serviced during the months of June 30, 2018 and 2017:

<u>Department</u>	<u>2018</u>	<u>2017</u>
Water	5,090	4,894
Sewer	3,927	3,730
Garbage	4,290	4,175

CITY OF BROUSSARD, LOUISIANA

Schedule of Insurance in Force
(Unaudited)
June 30, 2018

Description of Coverage	Policy Expiration Date	Coverage Amounts
Workmen's compensation:		
Employer's liability	12/01/18	\$1,000,000
Automobile:		
Liability	12/01/18	1,000,000
Uninsured motorists	12/01/18	250,000
Property:		
Buildings, contents, machinery, and equipment	12/01/18	37,356,602
Boiler and machinery	12/01/18	50,000,000
General liability		
Aggregate	12/01/18	3,000,000
Products-Completed Operations Aggregate	12/01/18	3,000,000
Personal & Advertising Injury	12/01/18	1,000,000
Occurrence	12/01/18	1,000,000
Damages to Premises to City	12/01/18	100,000
Public Officials and Employment Practices:		
Aggregate	12/01/18	3,000,000
Public officials liability	12/01/18	1,000,000
Employment practices liability	12/01/18	1,000,000
Special Risk:		
Automobile	05/01/18	1,000,000
Umbrella	05/01/19	686,868
Crime:		
Aggregate	12/01/18	1,000,000

CITY OF BROUSSARD, LOUISIANA

Comparative Statement of Net Position

Enterprise Fund

Utility Fund

June 30, 2018 and 2017

	<u>2018</u>	<u>2017</u>
ASSETS		
Current assets:		
Cash and interest-bearing deposits	\$ 152,189	\$ 157,284
Accounts receivable, net	470,441	415,453
Due from other funds	33,468	5,421
Prepaid insurance	<u>80,627</u>	<u>56,435</u>
Total current assets	<u>736,725</u>	<u>634,593</u>
Noncurrent assets:		
Restricted assets -		
Cash and interest-bearing deposits	337,527	304,530
Capital assets -		
Land and construction in progress	4,021,505	7,140,123
Capital assets, net	<u>24,988,524</u>	<u>21,411,501</u>
Total noncurrent assets	<u>29,347,556</u>	<u>28,856,154</u>
Total assets	<u>30,084,281</u>	<u>29,490,747</u>
LIABILITIES		
Current liabilities:		
Accounts payable	129,629	119,406
Contracts payable	33,660	146,983
Retainage payable	37,693	63,898
Accrued expenses	13,656	12,030
Due to other funds	950,435	435
Customers' deposits (payable from restricted assets)	<u>337,527</u>	<u>304,530</u>
Total current liabilities	<u>1,502,600</u>	<u>647,282</u>
Noncurrent liabilities:		
Compensated absences payable	<u>90,921</u>	<u>97,051</u>
Total noncurrent liabilities	<u>90,921</u>	<u>97,051</u>
Total liabilities	<u>1,593,521</u>	<u>744,333</u>
NET POSITION		
Net investment in capital assets	29,010,029	28,340,743
Unrestricted (deficit)	<u>(519,269)</u>	<u>405,671</u>
Total net position	<u>\$28,490,760</u>	<u>\$28,746,414</u>

CITY OF BROUSSARD, LOUISIANA

Comparative Statement of Revenues, Expenses and Changes in Fund Net Position -
Enterprise Fund
Utility Fund

For the Years Ended June 30, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Operating revenues:		
Charges for services	\$ 3,037,323	\$ 2,707,097
Miscellaneous	<u>506,921</u>	<u>525,047</u>
Total operating revenues	<u>3,544,244</u>	<u>3,232,144</u>
Operating expenses:		
Water	2,397,296	2,299,270
Sewer	2,004,105	1,860,945
Garbage	<u>981,138</u>	<u>936,516</u>
Total operating expenses	<u>5,382,539</u>	<u>5,096,731</u>
Loss from operations	(1,838,295)	(1,864,587)
Nonoperating revenues:		
Interest earned	<u>711</u>	<u>714</u>
Loss before capital contributions and transfers	<u>(1,837,584)</u>	<u>(1,863,873)</u>
Capital contributions	<u>2,205</u>	<u>185,292</u>
Transfers:		
Transfers from 1992 Sales Tax Fund	800,000	1,370,000
Transfers from TIF Sales Tax Fund	418,212	955,581
Transfers from Debt Service Fund	<u>361,513</u>	<u>-</u>
Total transfers	<u>1,579,725</u>	<u>2,325,581</u>
Change in net position	(255,654)	647,000
Net position, beginning	<u>28,746,414</u>	<u>28,099,414</u>
Net position, ending	<u>\$28,490,760</u>	<u>\$28,746,414</u>

CITY OF BROUSSARD, LOUISIANA
Enterprise Fund
Utility Fund

Comparative Departmental Statement of Revenues and Expenses
For the Years Ended June 30, 2018 and 2017

	Totals		Water		Sewer		Garbage	
	2018	2017	2018	2017	2018	2017	2018	2017
Operating revenues:								
Charges for services	\$ 3,037,323	\$ 2,707,097	\$ 1,381,890	\$ 1,217,512	\$ 629,512	\$ 550,805	\$ 1,025,921	\$ 938,780
Connections, penalties, impact fees, and other	<u>506,921</u>	<u>525,047</u>	<u>267,165</u>	<u>338,689</u>	<u>209,028</u>	<u>167,258</u>	<u>30,728</u>	<u>19,100</u>
Total operating revenues	<u>3,544,244</u>	<u>3,232,144</u>	<u>1,649,055</u>	<u>1,556,201</u>	<u>838,540</u>	<u>718,063</u>	<u>1,056,649</u>	<u>957,880</u>
Operating expenses:								
Salaries	739,543	733,794	438,201	427,058	301,342	306,736	-	-
Payroll taxes and retirement	127,572	123,624	72,585	69,646	54,987	53,978	-	-
Group insurance	142,848	141,112	86,269	87,950	56,579	53,162	-	-
Professional fees	36,892	27,506	16,021	14,706	20,871	12,800	-	-
Engineering fees	75,948	107,206	37,129	43,438	38,819	63,768	-	-
Repairs and maintenance	639,415	417,821	216,845	124,157	422,570	293,664	-	-
Vehicle	52,954	45,294	28,791	28,162	24,163	17,132	-	-
Utilities	141,399	127,409	45,440	45,074	95,959	82,335	-	-
Materials and supplies	198,713	525,486	149,836	378,455	48,877	147,031	-	-
Depreciation	1,246,970	1,067,126	391,118	319,151	855,852	747,975	-	-
Insurance	143,888	123,259	76,323	66,858	67,565	56,401	-	-
Office	39,256	43,707	12,680	15,569	12,816	15,226	13,760	12,912
Water purchases	769,236	621,623	769,236	621,623	-	-	-	-
Garbage collection expense	967,378	923,604	-	-	-	-	967,378	923,604
Miscellaneous	<u>60,527</u>	<u>68,160</u>	<u>56,822</u>	<u>57,423</u>	<u>3,705</u>	<u>10,737</u>	-	-
Total operating expenses	<u>5,382,539</u>	<u>5,096,731</u>	<u>2,397,296</u>	<u>2,299,270</u>	<u>2,004,105</u>	<u>1,860,945</u>	<u>981,138</u>	<u>936,516</u>
Operating income (loss)	<u>\$(1,838,295)</u>	<u>\$(1,864,587)</u>	<u>\$(748,241)</u>	<u>\$(743,069)</u>	<u>\$(1,165,565)</u>	<u>\$(1,142,882)</u>	<u>\$ 75,511</u>	<u>\$ 21,364</u>

CITY OF BROUSSARD, LOUISIANA

Statement of Net Position
Enterprise Fund
Sports Complex Fund
June 30, 2018 and 2017

	<u>2018</u>	<u>2017</u>
ASSETS		
Current assets:		
Cash and interest-bearing deposits	\$ 76,945	\$ 4,765
Due from other funds	41,501	22,000
Prepaid insurance	<u>19,114</u>	<u>16,416</u>
Total current assets	<u>137,560</u>	<u>43,181</u>
Noncurrent assets:		
Cash and interest-bearing deposits	1,444,159	-
Capital assets -	-	-
Land and construction in progress	3,279,449	12,387
Capital assets, net	<u>33,567,220</u>	<u>-</u>
Total noncurrent assets	<u>38,290,828</u>	<u>12,387</u>
 Total assets	 <u>38,428,388</u>	 <u>55,568</u>
LIABILITIES		
Current liabilities:		
Accounts payable	25,287	7,811
Due to other funds	35,000	35,000
Bonds payable	625,000	-
Accrued interest payable	<u>172,723</u>	<u>-</u>
Total current liabilities	<u>858,010</u>	<u>42,811</u>
Noncurrent liabilities:		
Compensated absences payable	19,806	-
Bonds payable	<u>25,955,000</u>	<u>-</u>
Total noncurrent liabilities	<u>25,974,806</u>	<u>-</u>
Total liabilities	<u>26,832,816</u>	<u>42,811</u>
NET POSITION		
Net investment in capital assets	10,891,669	12,387
Restricted for debt service	646,436	-
Unrestricted	<u>57,467</u>	<u>370</u>
Total net position	<u>\$11,595,572</u>	<u>\$ 12,757</u>

CITY OF BROUSSARD, LOUISIANA

Statement of Revenues, Expenses and Changes in Fund Net Position -
 Enterprise Fund
 Sports Complex Fund
 For the Year Ended June 30, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Operating revenues	\$ 327,625	\$ -
Operating expenses:		
Salaries	501,841	148,543
Contract labor - services	82,459	-
Payroll taxes and retirement	43,012	10,824
Group insurance	106,629	21,510
Professional fees	30,986	1,375
Engineering fees	-	7,981
Equipment rental	-	294
Repairs and maintenance	114,646	13,058
Vehicle	10,361	4,224
Utilities and communication	202,112	19,438
Materials and supplies	197,943	29,265
Tools and equipment	-	9,083
Insurance	114,563	40,140
Office	12,244	22,265
Uniforms	6,300	5,729
Miscellaneous	6,444	3,002
Advertising	5,974	-
Award expenses	7,462	-
Sponsorship fees	58,317	-
Conference and travel	3,125	-
Security fees	62,945	-
Depreciation expense	779,900	-
League and tournament expense	12,941	-
Total operating expenses	<u>2,360,204</u>	<u>336,731</u>
Loss from operations	<u>(2,032,579)</u>	<u>(336,731)</u>
Nonoperating revenues (expenses):		
Interest income	15,175	-
Interest and fiscal agency fees	<u>(1,080,041)</u>	<u>-</u>
Total nonoperating revenues (expenses)	<u>(1,064,866)</u>	<u>-</u>
Loss before capital contributions and transfers	<u>(3,097,445)</u>	<u>(336,731)</u>
Capital contribution	<u>10,206,916</u>	<u>-</u>
Transfers:		
Transfers from 2016 Debt Service Fund	3,122,007	-
Transfers from 2011 Recreation Sales Tax Fund	<u>1,351,337</u>	<u>349,488</u>
Total transfers	<u>4,473,344</u>	<u>349,488</u>
Change in net position	11,582,815	12,757
Net position, beginning	<u>12,757</u>	<u>-</u>
Net position, ending	<u>\$11,595,572</u>	<u>\$ 12,757</u>

INTERNAL CONTROL, COMPLIANCE

AND

OTHER MATTERS

KOLDER, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

C. Burton Kolder, CPA*
Victor R. Slaven, CPA*
Gerald A. Thibodeaux, Jr., CPA*
Robert S. Carter, CPA*
Arthur R. Mixon, CPA*
Brad E. Kolder, CPA, JD*
Stephen J. Anderson, CPA*
Christine C. Doucet, CPA
Wanda F. Arcement, CPA, CVA
Bryan K. Joubert, CPA
Matthew E. Margaglio, CPA
Casey L. Ardoin, CPA, CFE

183 S. Beadle Rd.
Lafayette, LA 70508
Phone (337) 232-4141

11929 Bricksome Ave.
Baton Rouge, LA 70816
Phone (225) 293-8300

1428 Metro Dr.
Alexandria, LA 71301
Phone (318) 442-4421

450 E. Main St.
New Iberia, LA 70560
Phone (337) 367-9204

200 S. Main St.
Abbeville, LA 70510
Phone (337) 893-7944

1234 David Dr. Ste. 203
Morgan City, LA 70380
Phone (985) 384-2020

434 E. Main St.
Ville Platte, LA 70586
Phone (337) 363-2792

332 W. Sixth Ave.
Oberlin, LA 70655
Phone (337) 639-4737

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INDEPENDENT AUDITORS' 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

* A Professional Accounting Corporation

The Honorable Charles E. Langlinais
and Members of the Board of Aldermen
City of Broussard, 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, each major fund, and the aggregate remaining fund information of the City of Broussard, Louisiana (the City) as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated September 21, 2018.

Internal Control Over Financial Reporting

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

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying summary schedule of current and prior year audit findings and management's corrective action plan as items 2018-001(IC) through 2018-003(IC) to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Accounting Standards* and which are described in the accompanying summary schedule of current and prior year audit findings and management's corrective action plan as items 2018-004(C) and 2018-005(C).

The City of Broussard, 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

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 or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* 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
September 21, 2018

CITY OF BROUSSARD, LOUISIANA

Summary Schedule of Current and Prior Year Audit Findings
and Management's Corrective Action Plan
Year Ended June 30, 2018

Ref. No.	Fiscal Year Finding Initially Occurred	Description of finding	Corrective Action Taken	Corrective Action Planned	Name of Contact Person	Anticipated Completion Date
CURRENT YEAR (6/30/18) --						
<u>Internal Control:</u>						
2018-001(IC)	6/30/2016	The City does not have a staff person who has the qualifications and training to apply generally accepted accounting principles (GAAP) in recording the entity's financial transactions or preparing its financial statements, including the related notes.	No	The City has evaluated the cost vs. benefit of establishing internal controls over the preparation of financial statements in accordance with GAAP, and determined that it is in the best interests of the City to outsource this task to its independent auditors, and to carefully review the draft financial statements and notes prior to approving them and accepting responsibility for their contents and presentation.	Tina Emert, City Clerk	N/A
2018-002(IC)	6/30/2017	Procedures should be implemented to ensure that activity in the Police Forfeiture bank account is properly recorded, reconciled, and reviewed by the City Clerk on a monthly basis.	No	Management will implement necessary procedures in order to ascertain that the activity in the Police Forfeiture bank account is properly recorded, reconciled, and reviewed on a monthly basis.	Tina Emert, City Clerk	6/30/2019
2018-003(IC)	6/30/2018	The following policies and procedures should be implemented in order to establish and strengthen internal controls over St. Julien Park Sports Complex activities and transactions: (1) the access and ability to change rental rates and other park fees in park software, as well as maintenance of team/league activities and/or park rentals, be restricted to employees who do not collect funds; (2) all rentals and fees charged should adhere to established fee schedules and written rental agreements should be executed when necessary; (3) appropriate supporting documentation should be maintained so that regular reconciliations of receivables and revenues can be performed; and (4) the City should monitor contracts and deposits paid for future events and ensure that all revenues are collected (or deposits refunded) timely.	No	Management will implement the recommended procedures in order to establish and strengthen internal controls over St. Julien Park activities.	Tina Emert, City Clerk	6/30/2019

(continued)

CITY OF BROUSSARD, LOUISIANA

Summary Schedule of Current and Prior Year Audit Findings
and Management's Corrective Action Plan
Year Ended June 30, 2018

Ref. No.	Fiscal Year Finding Initially Occurred	Description of finding	Corrective Action Taken	Corrective Action Planned	Name of Contact Person	Anticipated Completion Date
<u>CURRENT YEAR (6/30/18) --</u>						
<u>Compliance:</u>						
2018-004(C)	6/30/2018	A review of supporting documentation indicated that itemized receipts were not maintained for credit card purchases in the amount of \$649 made by Mayor Charles Langlinais. Of this amount, \$351 was determined to be unallowable under Article 7, Section 14 of the state constitution. It was also determined that some fuel and telephone charges paid by the City were for the Mayor's personal use and did not have a valid business purpose. A total of \$1,721 of unallowable and/or personal expenses should be reimbursed by the Mayor to the City. Additionally, it was noted that the Mayor drives a city-owned truck as his primary vehicle. There was no portion that was reported as taxable income to the Mayor that represented his personal use of the vehicle. In the future, the City should verify that all credit card charges have the proper supporting documentation and all expenditures have a valid business purpose. The City should also properly report the Mayor's personal use the City truck as income on his W-2 or establish a vehicle allowance policy and eliminate the use of City vehicles.	No	Management will implement policies and procedures in order to ensure all expenditures have a valid business purpose prior to payment and have adequate supporting documentation, including itemized receipts for all credit card charges. The City will take steps to either ensure that the Mayor's personal use of City vehicles are properly reported as income or implement a vehicle allowance policy. The City will also seek reimbursement from the Mayor for the unallowable and personal expenses.	Tina Emert, City Clerk	6/30/2019
2018-005(C)	6/30/2018	Two St. Julien Park Sports Complex employees did not pay for sporting fees and/or park pavilion rentals during the year. The employees' accounts showed unpaid balances of \$495 and \$75, respectively. One account had unpaid balances that were more than a year old at the time of the audit. These unpaid balances constitute donation of public services and property for private purposes which are prohibited under Article VII, Section 14 of the Louisiana State Constitution. The City should collect delinquent balances from these employees and implement policies and procedures to prevent such transactions from happening in future periods.	No	The City will collect the unpaid balances from employees. Additionally, the City will implement policies and procedures to prevent these types of activities from happening in future periods. These procedures will include educating employees on prohibited transactions and activities and monitoring employee accounts to ensure that all balances are paid when due.	Tina Emert, City Clerk	6/30/2019
<u>Management Letter:</u>						
2018-006(ML)	6/30/2014	The City's water and sewer departments should be operating on a profitable basis. Consideration should be given to increasing rates and/or decreasing expenses in these departments in order to generate a profit.	No	Management will evaluate the current water and sewer charges and will closely monitor the operating expenses in these departments and make necessary changes.	Tina Emert, City Clerk	6/30/2019

(continued)

CITY OF BROUSSARD, LOUISIANA

Summary Schedule of Current and Prior Year Audit Findings
and Management's Corrective Action Plan (Continued)
Year Ended June 30, 2018

Ref. No.	Fiscal Year Finding Initially Occurred	Description of finding	Corrective Action Taken	Corrective Action Planned	Name of Contact Person	Anticipated Completion Date
PRIOR YEAR (6/30/17) --						
<u>Internal Control:</u>						
2017-001(IC)	6/30/2014	The City does not have adequate controls over recordation of transactions and monthly reconciliations of account balances. Numerous adjustments were required in order to adjust balances to the correct amounts. Variances must be identified and reconciled on a timely basis.	Yes	Management will design adequate controls over recordation of transactions and monthly reconciliations of account balances. All variances will be investigated to determine the source of the differences.	Tina Emert, City Clerk	6/30/2018
2017-002(IC)	6/30/2016	The City does not have a staff person who has the qualifications and training to apply generally accepted accounting principles (GAAP) in recording the entity's financial transactions or preparing its financial statements, including the related notes.	No	The City has evaluated the cost vs. benefit of establishing internal controls over the preparation of financial statements in accordance with GAAP, and determined that it is in the best interests of the City to outsource this task to its independent auditors, and to carefully review the draft financial statements and notes prior to approving them and accepting responsibility for their contents and presentation.	Tina Emert, City Clerk	N/A
2017-003(IC)	6/30/2016	Procedures should be implemented to ensure that activity in the Police Forfeiture bank account is properly recorded, reconciled, and reviewed by the City Clerk on a monthly basis.	No	Management will implement necessary procedures in order to ascertain that the activity in the Police Forfeiture bank account is properly recorded, reconciled, and reviewed on a monthly basis.	Tina Emert, City Clerk	6/30/2018
2017-004(IC)	6/30/2017	A change order to the St. Julien Park Phase 2 project in the amount of \$129,879 was presented to the City Council for approval after work had been performed and was approved by an employee who was not granted permission to make such an authorization. The City should implement the following policies and procedures regarding construction contracts: (1) Construction contracts should clearly dictate who has authorization for approval of change orders on behalf of the City. (2) All change orders should be presented to the City Council for approval and subsequent budget amendment prior to work being performed by the contractor.	Yes	Management will implement the procedures regarding construction contracts in order to ascertain proper approval for change orders (by appropriate City designee and City Council) prior to work being performed by the contractor.	Tina Emert, City Clerk	6/30/2018

(continued)

CITY OF BROUSSARD, LOUISIANA

Summary Schedule of Current and Prior Year Audit Findings
and Management's Corrective Action Plan (Continued)
Year Ended June 30, 2018

Ref. No.	Fiscal Year Finding Initially Occurred	Description of finding	Corrective Action Taken	Corrective Action Planned	Name of Contact Person	Anticipated Completion Date
<u>PRIOR YEAR (6/30/17) --</u>						
<u>Internal Control:</u>						
2017-005(C)	6/30/2017	A review of supporting documentation indicated that itemized receipts were not maintained for credit card purchases in the amount of \$1,272 made by Mayor Charles Langlinais. Of this amount, \$368 was determined to be unallowable under Article 7, Section 14 of the state constitution. Additionally, it was noted that the Mayor drives a city-owned truck as his primary vehicle. There was no portion that was reported as taxable income to the Mayor that represented his personal use of the vehicle. It was also determined that some fuel and telephone charges paid by the City were for the Mayor's personal use and did not have a valid business purpose. In the future, the City should verify that all credit card charges have the proper supporting documentation and all expenditures have a valid business purpose. The City should also properly report the Mayor's personal use the City truck as income on his W-2 or establish a vehicle allowance policy and eliminate the use of City vehicles.	No	Management will implement policies and procedures in order to ensure all expenditures have a valid business purpose prior to payment and have adequate supporting documentation, including itemized receipts for all credit card charges. The City will take steps to either ensure that the Mayor's personal use of City vehicles are properly reported as income or implement a vehicle allowance policy. Additionally, the Mayor reimbursed the City for \$2,775 of unallowable purchases and personal expenditures.	Tina Emert, City Clerk	6/30/2018
2017-006(C)	6/30/2017	The City did not comply with the Louisiana Public Bid Law (R.S. 38:2212) in the following situations: (1) The City did not obtain three written quotes for an enclosed trailer at a cost of \$14,616 (2) The City did not publicly bid three ice machines at a cost of \$36,700. Management should implement policies and procedures in order to comply with the public bid law.	Yes	Management will implement policies and procedures in order to ensure compliance with the public bid law in the future.	Tina Emert, City Clerk	6/30/2018
<u>Management Letter:</u>						
2017-007(ML)	6/30/2014	The City's water and sewer departments should be operating on a profitable basis. Consideration should be given to increasing rates and/or decreasing expenses in these departments in order to generate a profit.	No	Management will evaluate the current water and sewer charges and will closely monitor the operating expenses in these departments and make necessary changes.	Tina Emert, City Clerk	6/30/2018

KOLDER, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

C. Burton Kolder, CPA*
Victor R. Slaven, CPA*
Gerald A. Thibodeaux, Jr., CPA*
Robert S. Carter, CPA*
Arthur R. Mixon, CPA*
Brad E. Kolder, CPA, JD*
Stephen J. Anderson, CPA*
Christine C. Doucet, CPA
Wanda F. Arcement, CPA, CVA
Bryan K. Joubert, CPA
Matthew E. Margaglio, CPA
Casey L. Ardoin, CPA, CFE

P. O. Box 82329
Lafayette, LA 70598

Phone (337) 232-4141
Fax (337) 232-8660

183 S. Beadle Rd.
Lafayette, LA 70508
Phone (337) 232-4141

11929 Bricksome Ave.
Baton Rouge, LA 70816
Phone (225) 293-8300

1428 Metro Dr.
Alexandria, LA 71301
Phone (318) 442-4421

450 E. Main St.
New Iberia, LA 70560
Phone (337) 387-9204

200 S. Main St.
Abbeville, LA 70510
Phone (337) 893-7944

1234 David Dr. Ste. 203
Morgan City, LA 70380
Phone (985) 384-2020

434 E. Main St.
Ville Platte, LA 70586
Phone (337) 363-2792

332 W. Sixth Ave.
Oberlin, LA 70655
Phone (337) 639-4737

* A Professional Accounting Corporation

WWW.KCSRCPAS.COM

MANAGEMENT LETTER

The Honorable Charles Langlinais, Mayor
and Members of the Board of Aldermen
City of Broussard, Louisiana

During our audit of the basic financial statements of the City of Broussard for the year ended June 30, 2018, we noted an area in which the efficiency and effectiveness of the operations of the City could be improved. It was also included in our management letter dated October 3, 2017 relative to the audit of the basic financial statements for the year ended June 30, 2017.

The City's water and sewer departments should be operating on a profitable basis. Consideration should be given to increasing rates and/or decreasing expenses in these departments in order to generate a profit.

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

Kolder, Slaven & Company, LLC
Certified Public Accountants

Lafayette, Louisiana
September 21, 2018

CITY OF BROUSSARD
Broussard, Louisiana
Agreed-Upon Procedures Report
Year Ended June 30, 2018

KOLDER, SLAVEN & COMPANY, LLC

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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

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WWW.KCSRPCAS.COM

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

We have performed the procedures enumerated below, which were agreed to by the City of Broussard (Entity) and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2017 through June 30, 2018. The entity's management is responsible for those C/C areas identified in the SAUPs.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

Written Policies and Procedures

1. We obtained and inspected the entity's written policies and procedures and observed that they address each of the following categories and subcategories (if applicable to public funds and the entity's operations):
 - a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget
 - b) **Purchasing**, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.
 - c) **Disbursements**, including processing, reviewing, and approving
 - d) **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).
 - e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.
 - f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process

- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases)
- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers
- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.
- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

Board or Finance Committee

- 2. We obtained and inspected the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
 - a) We observed that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
 - b) We observed that the minutes referenced or included monthly budget-to-actual comparisons on the General Fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds
 - c) We obtained the prior year audit report and observed the unrestricted fund balance in the General Fund. If the General Fund had a negative ending unrestricted fund balance in the prior year audit report, we observed that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unrestricted fund balance in the General Fund.

Bank Reconciliations

- 3. We obtained a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. We asked management to identify the entity's main operating account. We selected the entity's main operating account and randomly selected 5 additional accounts (or all accounts if less than 5). We randomly selected one month from the fiscal period, obtained and inspected the corresponding bank statement and reconciliation for selected accounts, and observed that:
 - a) Bank reconciliations included evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);
 - b) Bank reconciliations included evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and
 - c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Collections

4. We obtained a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. We randomly selected 5 deposit sites (or all deposit sites if less than 5).
5. For each deposit site selected, we obtained a listing of collection locations and management's representation that the listing is complete. We randomly selected one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtained and inspected written policies and procedures relating to employee job duties (if no written policies or procedures, inquired of employees about their job duties) at each collection location, and observed that job duties are properly segregated at each collection location such that:
 - a) Employees that are responsible for cash collections do not share cash drawers/registers.
 - b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.
 - c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
 - d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.
6. We inquired of management that all employees who have access to cash are covered by a bond or insurance policy for theft.
7. We randomly selected two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (selected the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly selected a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtained supporting documentation for each of the 10 deposits and:
 - a) We observed that receipts are sequentially pre-numbered.
 - b) We traced sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - c) We traced the deposit slip total to the actual deposit per the bank statement.
 - d) We observed that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).
 - e) We traced the actual deposit per the bank statement to the general ledger.

Non-Payroll Disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases)

8. We obtained a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. We randomly selected 5 locations (or all locations if less than 5).

9. For each location selected under #8 above, we obtained a listing of those employees involved with non-payroll purchasing and payment functions. We obtained written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observed that job duties are properly segregated such that:
 - a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
 - b) At least two employees are involved in processing and approving payments to vendors.
 - c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
 - d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.
10. For each location selected under #8 above, we obtained the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtained management's representation that the population is complete. We randomly selected 5 disbursements for each location, obtained supporting documentation for each transaction and:
 - a) We observed that the disbursement matched the related original invoice/billing statement.
 - b) We observed that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

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

11. We obtained from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtained management's representation that the listing is complete.
12. Using the listing prepared by management, we randomly selected 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly selected one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtained supporting documentation, and:
 - a) We observed that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing, by someone other than the authorized card holder
 - b) We observed that finance charges and late fees were not assessed on the selected statements.
13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly selected 10 transactions (or all transactions if less than 10) from each statement, and obtained supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, we observed that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only)

Travel and Travel-Related Expense Reimbursements (excluding card transactions)

14. We obtained from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. We randomly selected 5 reimbursements, obtained the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:
- a) If reimbursed using a per diem, we agreed the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).
 - b) If reimbursed using actual costs, we observed that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
 - c) We observed that each reimbursement is supported by documentation of the business/public purpose (for meal charges, we observed that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).
 - d) We observed that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Contracts

(The following procedures were not performed since there were no exceptions in the prior year.)

15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:
- a) Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
 - b) Observe that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).
 - c) If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment.
 - d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

Payroll and Personnel

(The following procedures were not performed since there were no exceptions in the prior year.)

16. Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
17. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:

- a) Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)
 - b) Observe that supervisors approved the attendance and leave of the selected employees/officials.
 - c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
18. Obtain a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees/officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations, agree the hours to the employee/officials' cumulative leave records, and agree the pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files.
19. Obtain management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.

Ethics

(The following procedures were not performed since there were no exceptions in the prior year.)

20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above obtain ethics documentation from management, and:
- a) Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
 - b) Observe that the documentation demonstrates each employee/official attested through signature verification that he or she has read the entity's ethics policy during the fiscal period.

Debt Service

(The following procedures were not performed since there were no exceptions in the prior year.)

21. Obtain a listing of bonds/notes issued during the fiscal period and management's representation that the listing is complete. Select all bonds/notes on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each bond/note issued.
22. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenant

Other

23. We obtained a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. We selected all misappropriations on the listing, obtained supporting documentation, and observed that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.
24. We observed that the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

Exceptions:

No exceptions were found as a result of applying the procedures listed above except:

Written Policies and Procedures:

1. The entity does not have written policies and procedures addressing requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.

Management's response: The entity will update their written policies and procedures to include requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.

Collections:

2. Of the 10 deposits tested, 4 were not made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).

Management's response: The entity will ascertain that all collections of \$100 or more will be deposited within one business day of receipt.

Non-Payroll Disbursements

3. The employee/official responsible for signing checks mails the payment and gives the signed checks to an employee to mail who is also responsible for processing payments.

Management's response: The entity will ascertain that the employee/official, who is responsible for processing payments, will not be authorized to sign checks or mail out payments.

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

4. Of the 4 transactions tested, one did not have an itemized receipt that identifies precisely what was purchased nor written documentation of the business/public purpose.

Management's response: The entity will ascertain that all credit card's purchases will have all required receipts and documentation supporting the business purpose of the expenditure.

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

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

Kolder, Slaven & Company, LLC
Certified Public Accountants

Lafayette, Louisiana
September 21, 2018