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TOWN OF BROUSSARD, LOUISIANA

Annual Financial Report

June 30, 1999

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

Release Date FEB 23 2000

J. L. SONNIER
Certified Public Accountant
Lafayette, Louisiana

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INDEPENDENT AUDITOR'S REPORT

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

I have audited the accompanying primary government financial statements of the Town of Broussard, Louisiana, as of and for the year ended June 30, 1999 as listed in the table of contents. These financial statements are the responsibility of the Town of Broussard, Louisiana's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

A primary government is a legal entity or body politic and includes all funds, organizations, institutions, agencies, departments, and offices that are not legally separate. Such legally separate entities are referred to as component units. In my opinion, the primary government financial statements present fairly, in all material respects, the financial position of the primary government of the Town of Broussard, Louisiana, as of June 30, 1999, and the results of the operations and cash flows of its proprietary fund type for the year then ended in conformity with generally accepted accounting principles.

However, the primary government financial statements, because they do not include the financial data of component units of the Town of Broussard, Louisiana do not purport to, and do not, present fairly the financial position of the Town of Broussard, Louisiana, as of June 30, 1999 and the results of its operations and cash flows of its proprietary fund type for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, I have also issued my report dated December 17, 1999, on my consideration of the Town's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grants.

My audit was conducted for the purpose of forming an opinion on the primary government financial statements taken as a whole. The year 2000 supplementary information on page 28 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. I have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information,. However, I did not audit the information and do not express an opinion on it. In addition, I do not provide assurance that the Town of Broussard, Louisiana is or will become year 2000 compliant, that the Town's year 2000 remediation efforts will be successful in whole or in part, or that parties with which the Town does business are or will become year 2000 compliant.

The other supplemental information (pp 29-69) including the schedule of expenditures of federal wards as required by U.S. Office Management and Budget Circular A-133, Audits of States, Local Government, and Non-Profit Organizations, is presented for purposes of additional analysis and is not a required part of the primary government financial statements of the Town of Broussard, Louisiana. Such information has been subjected to the auditing procedures applied in the audit of the primary government financial statements and, in my opinion, is fairly stated, in all material respects, in relation to the primary government financial statements taken as a whole.

The financial information for the preceding year which is included for comparative purposes was taken from the financial report for that year in which I expressed an unqualified opinion on the primary government financial statements of the Town of Broussard, Louisiana.

A handwritten signature in cursive script, appearing to read "J. J. Smith".

December 17, 1999

GENERAL PURPOSE FINANCIAL STATEMENTS
(Combined Statements-Overview)

TOWN OF BROUSSARD, LOUISIANA

COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
June 30, 1999

	GOVERNMENTAL FUND TYPES			
	General	Special Revenue	Debt Service	Capital Projects
ASSETS AND OTHER DEBITS				
Cash and interest-bearing deposits	492,874	833,638	571,327	402
Marketable securities	-	-	-	-
Due from other funds	-	-	-	-
Due from other governments	100,534	-	-	-
Receivables (net where applicable, of allowances for uncollectible):				
Taxes and licenses	51,013	173,923	-	-
Accounts	-	-	-	-
Other	-	-	-	-
Prepaid expenses	47,361	-	-	-
Restricted assets:				
Cash	-	-	-	-
Land	-	-	-	-
Buildings	-	-	-	-
Improvements other than buildings	-	-	-	-
Equipment	-	-	-	-
Utility property, plant & equipment	-	-	-	-
Accumulated depreciation	-	-	-	-
Amount Available in debt service funds	-	-	-	-
Amount to be provided for retirement of general long-term debt	-	-	-	-
Total Assets & Other Debits	691,782	1,007,561	571,327	402

PROPRIETARY FUND TYPE	ACCOUNT GROUPS		TOTALS (MEMORANDUM ONLY)	
	General Fixed Assets	General Long-Term Debt	1999	1998
Enterprise				
267,657	-	-	2,165,898	2,927,182
-	-	-	-	234,030
-	-	-	-	-
17,548	-	-	118,082	-
-	-	-	224,936	245,674
88,090	-	-	88,090	82,037
26,897	-	-	26,897	389
9,027	-	-	56,388	82,722
69,454	-	-	69,454	63,410
-	153,818	-	153,818	153,818
-	732,357	-	732,357	732,357
-	8,872	-	8,872	8,872
-	1,400,233	-	1,400,233	1,197,101
9,621,259	-	-	9,621,259	8,812,562
(2,984,034)	-	-	(2,984,034)	(2,692,992)
-	-	571,327	571,327	531,135
-	-	4,926,811	4,926,811	4,153,865
7,115,898	2,295,280	5,498,138	17,180,388	16,532,162

(continued)

TOWN OF BROUSSARD, LOUISIANA

**COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS (CONTINUED)
June 30, 1999**

	GOVERNMENTAL FUND TYPES			
	General	Special Revenue	Debt Service	Capital Projects
LIABILITIES AND FUND EQUITY				
Liabilities:				
Accounts Payable	76,158	1,339	-	37,342
Accrued liabilities	71,193	-	-	247,000
Payable from restricted assets-				
Customers' deposits	-	-	-	-
Retainage payable	-	-	-	25,000
Long-term debt-				
General obligation bonds payable	-	-	-	-
Total liabilities	147,351	1,339	-	309,342
Fund equity:				
Contributed capital (net of accumulated amortization)	-	-	-	-
Investment in general fixed assets	-	-	-	-
Retained earnings-unreserved	-	-	-	-
Fund balances-				
Reserved for capital projects	-	308,940	-	-
Reserved for debt service	-	-	571,327	-
Designated for capital improvements	-	-	-	(308,940)
Unreserved, undesignated	544,431	697,282	-	-
Total fund balances	544,431	1,006,222	571,327	(308,940)
Total fund equity	544,431	1,006,222	571,327	(308,940)
Total liabilities & fund equity	691,782	1,007,561	571,327	402

See Notes to Financial Statements.

PROPRIETARY FUND TYPE	ACCOUNT GROUPS		TOTALS (MEMORANDUM ONLY)	
	General Fixed Assets	General Long- Term Debt	1999	1998
Enterprise				
62,913	-	-	177,752	411,975
21,096	-	-	339,289	73,912
69,454	-	-	69,454	63,410
-	-	-	25,000	180,907
-	-	5,498,138	5,498,138	4,685,000
153,463	-	5,498,138	6,109,633	5,415,204
4,646,791	-	-	4,646,791	4,273,833
-	2,295,280	-	2,295,280	2,092,148
2,315,644	-	-	2,315,644	2,065,770
-	-	-	308,940	-
-	-	-	571,327	531,135
-	-	-	(308,940)	862,305
-	-	-	1,241,713	1,291,767
-	-	-	1,813,040	2,685,207
6,962,435	2,295,280	-	11,070,755	11,116,958
7,115,898	2,295,280	5,498,138	17,180,388	16,532,162

TOWN OF BROUSSARD, LOUISIANA

COMBINED STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES
Year Ended June 30, 1999

	General Fund	Special Revenue	Debt Service	Capital Projects	Totals (Memorandum Only) 1999	Totals (Memorandum Only) 1998
Revenues:						
Taxes	209,567	2,374,863	-	-	2,584,430	2,745,378
Licenses and permits	470,975	-	-	-	470,975	415,430
Intergovernmental	606,804	-	-	7,205	614,009	274,103
Fines and forfeits	162,996	-	-	-	162,996	130,818
Miscellaneous	57,131	17,434	20,976	315,033	410,574	155,022
Total Revenues	1,507,473	2,392,297	20,976	322,238	4,242,984	3,720,751
Expenditures:						
Current:						
General government	413,117	24,249	-	-	437,366	406,261
Public safety:						
Police	563,421	-	-	-	563,421	515,534
Fire	84,213	-	-	-	84,213	47,112
Highways and streets	988,434	-	-	-	988,434	892,536
Debt service:						
Principal retirement	-	-	133,938	-	133,938	60,000
Interest and fiscal charges	-	-	283,216	-	283,216	191,771
Capital outlays	196,925	-	-	2,786,809	2,983,734	2,830,966
Total Expenditures	2,246,110	24,249	417,154	2,786,809	5,474,322	4,944,180

(continued)

TOWN OF BROUSSARD, LOUISIANA

COMBINED STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES (CONTINUED)
Year Ended June 30, 1999

	General Fund	Special Revenue	Debt Service	Capital Projects	Totals	
					(Memorandum Only) 1999	1998
Excess (deficiency) of revenues over expenditures	(738,637)	2,368,048	(396,178)	(2,464,571)	(1,231,338)	(1,223,429)
Other financing sources (uses):						
Proceeds from bond issuance	-	-	-	945,000	945,000	2,350,000
Operating transfers in	862,516	-	436,370	348,326	1,647,212	1,999,045
Operating transfers out	-	(2,233,041)	-	-	(2,223,041)	(2,458,421)
Total other financing sources (uses)	862,516	(2,233,041)	436,370	1,293,326	359,171	1,890,624
Excess (deficiency) of revenues and other sources over expenditures and other uses	123,879	135,007	40,192	(1,171,245)	(872,167)	667,195
Fund balances, beginning	420,552	871,215	531,135	862,305	2,685,207	2,018,012
Residual equity transfers	-	-	-	-	-	-
Fund balances, ending	544,431	1,006,222	571,327	(308,940)	1,813,040	2,685,207

See Notes to Financial Statements.

TOWN OF BROUSSARD, LOUISIANA

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES
 BUDGET (GAAP BASIS) AND ACTUAL
 ALL GOVERNMENTAL FUND TYPES
 Year Ended June 30, 1999

	General Fund			Special Revenue Fund		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:						
Taxes	180,000	209,567	29,567	2,400,000	2,374,863	(25,137)
Licenses & permits	395,000	470,975	75,975	-	-	-
Intergovernmental	510,768	606,804	96,036	-	-	-
Fines & forfeits	140,000	162,996	22,996	-	-	-
Miscellaneous	63,000	57,131	(5,869)	12,000	17,434	5,434
Total revenues	1,288,768	1,507,473	218,705	2,412,000	2,392,297	(19,703)
Expenditures:						
Current:						
General government	413,000	413,117	(117)	23,500	24,249	(749)
Public Safety:						
Police	575,000	563,421	11,579	-	-	-
Fire	95,600	84,213	11,387	-	-	-
Highways & streets	1,162,000	988,434	173,566	-	-	-
Capital outlay	194,500	196,925	(2,425)	-	-	-
Total expenditures	2,440,100	2,246,110	193,990	23,500	24,249	(749)
Excess (deficiency) of revenues over expenditures	(1,151,332)	(738,637)	412,695	2,388,500	2,368,048	(20,452)

(continued)

TOWN OF BROUSSARD, LOUISIANA

**COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
ALL GOVERNMENTAL FUND TYPES (CONTINUED)
Year Ended June 30, 1999**

	General Fund			Special Revenue Fund		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
Other financing sources (uses):						
Operating transfers in	1,300,000	862,516	(437,484)	-	-	-
Operating transfers out	-	-	-	(2,555,500)	(2,233,041)	322,459
Total other financing sources (uses)	1,300,000	862,516	(437,484)	(2,555,500)	(2,233,041)	322,459
Excess (deficiency) of revenues & other sources over expenditures & other uses	148,668	123,879	(24,789)	(167,000)	135,007	302,007
Fund balances, beginning	420,552	420,552	-	871,215	871,215	-
Fund balances, ending	569,220	544,431	(24,789)	704,215	1,006,222	302,007

See Notes to Financial Statements.

TOWN OF BROUSSARD, LOUISIANA
COMPARATIVE STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN RETAINED EARNINGS--PROPRIETARY FUND TYPE
Years Ended June 30, 1999 and 1998

	1999	1998
Operating revenues:		
Charges for services:		
Water sales	356,821	290,316
Water connections	24,302	24,309
Sewer service charges	134,806	116,560
Sewer inspection & permits	5,126	4,850
Garbage collections	184,307	179,088
Miscellaneous	20,655	21,897
Total operating revenues	726,017	637,020
Operating expenses:		
Water department	320,481	246,380
Sewerage department	288,779	287,468
Garbage department	179,492	174,931
Depreciation	291,043	260,394
Total operating expenses	1,079,795	969,173
Operating loss	(353,778)	(332,153)
Nonoperating revenues (expenses):		
Interest income	2,721	2,439
Total nonoperating revenues (expenses)	2,721	2,439
Loss before operating transfers	(351,057)	(329,714)
Operating transfers in	585,829	459,375
Net income (loss)	234,772	129,661
Add: Depreciation on fixed assets acquired by funds externally restricted for capital acquisitions & construction that reduces contributed capital:		
Federal grant reserves	12,502	12,502
State grant reserves	2,600	2,600
Increase (decrease) in retained earnings	249,874	144,763
Retained earnings, beginning	2,065,770	1,921,007
Residual equity transfer	-	-
Retained earnings, ending	2,315,644	2,065,770

See Notes to Financial Statements.

TOWN OF BROUSSARD, LOUISIANA

**COMPARATIVE STATEMENT OF CASH FLOWS
 PROPRIETARY FUND TYPE
 Years Ended June 30, 1999 and 1998**

	1999	1998
Cash flows from operating activities:		
Net operating loss	(353,778)	(332,153)
Adjustments to reconcile net operating income to net cash provided by operating activities:		
Depreciation	291,042	260,394
Provisions for uncollectible accounts	2,056	193
Grant receivables applicable to operating expenses	17,548	-
Changes in assets and liabilities-		
(Increase) decrease in accounts receivable - operating	(8,109)	(15,923)
(Increase) decrease in prepaid expenses	3,554	(1,345)
Increase (decrease) in accounts payable - operating	(26,524)	3,548
Increase (decrease) in meter deposits	6,044	7,890
Increase (decrease) in accrued liabilities	3,700	3,479
Total adjustments	289,311	258,236
Net cash used by operating activities	(64,467)	(73,917)
Cash flows from noncapital financing activities:		
Residual equity transfer	-	-
Operating transfers in from other funds	585,829	459,375
Net cash provided by noncapital financing activities	585,829	459,375
Cash flows from capital and related financing activities:		
Capital contributed from developers	-	15,000
Capital contributed from federal & state grants	278,707	-
Acquisition and construction of property, plant and equipment	(743,789)	(342,717)
Net cash used by capital and related financing activities	(465,082)	(327,717)

(continued)

TOWN OF BROUSSARD, LOUISIANA

**COMPARATIVE STATEMENT OF CASH FLOWS
PROPRIETARY FUND TYPE (CONTINUED)
Years Ended June 30, 1999 and 1998**

	1999	1998
Cash flows from investing activities:		
Interest received on interest-bearing deposits	2,721	2,439
Net cash provided by investing activities	2,721	2,439
Net increase (decrease) in cash and cash equivalents	59,001	60,180
Cash and cash equivalents, beginning of period	278,110	217,930
Cash and cash equivalents, end of period	337,111	278,110
Reconciliation of cash and cash equivalents per statement of cash flows to the balance sheet:		
Cash and cash equivalents-beginning of period		
Cash-unrestricted	214,700	162,410
Cash-restricted	63,410	55,520
Total cash and cash equivalents, beginning	278,110	217,930
Cash and cash equivalents, end of period-		
Cash-unrestricted	267,657	214,700
Cash-restricted	69,454	63,410
Total cash and cash equivalents, ending	337,111	278,110
Net increase (decrease) in cash and cash equivalents	59,001	60,180
Noncash investing, capital and financing activities:		
Property, plant and equipment contributed by other funds	64,909	700,203

See Notes to Financial Statements.

TOWN OF BROUSSARD, LOUISIANA
NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

The Town of Broussard was incorporated under the provisions of the Lawrason Act and operates under the Mayor-Board of Alderman form of government.

The accounting and reporting policies of the Town of Broussard conform to generally accepted accounting principles as applicable to governments. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 24:517 and to the industry audit guide, *Audits of State and Local Governmental Units*. The Town applies all relevant Governmental Accounting Standards Board (GASB) pronouncements. Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989 are applied unless they conflict with or contradict GASB pronouncements, in which case, GASB prevails.

The following is a summary of certain significant accounting policies:

A. Reporting Entity In evaluating the Town's financial reporting entity, management has considered all potential component units. The decision to include a potential unit in the reporting entity was made by applying the criteria set forth in Governmental Accounting Standards Board (GASB) Statement No. 14. The basic, but not only, criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations and accountability for fiscal matters. The other criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the Town is able to exercise oversight responsibilities.

The Town of Broussard Housing Authority's five member board of directors is appointed by the Mayor and Board of Aldermen of the Town of Broussard. The Town's oversight responsibilities in the management, operation and financial accountability of the Authority are remote. For this reason, the Authority is not considered to be a component unit of the town and, accordingly, is not included in the Town's audited financial statements.

The Town of Broussard has no authority over, nor is it involved in the record keeping of the Broussard Fire Department; therefore, the Department is not considered to be a component unit of the Town and, accordingly, is not included in the Town's audited financial statements.

The Broussard Economic Development Corporation was chartered in 1993. The Town of Broussard appoints a majority of the Corporation's Board and has the ability to impose its will on the Corporation. The Corporation is considered a component unit of the Town. Separate financial statements of the Corporation are available through request at the Broussard town hall.

The town has chosen to issue financial statements of the primary government (Town) only; therefore, the previously listed component unit is not included in the accompanying financial statements.

These primary government (Town) financial statements include all funds, account groups, and organizations for which the Town maintains the accounting records.

GASB Statement 14 provides for the issuance of primary government financial statements that are separate from those of the reporting entity. However, the primary government's (Town) financial statements are not a substitute for the reporting entity's financial statements. The accompanying primary government financial statements have been prepared in conformity with generally accepted accounting principles as applied to governmental units. These financial statements are not intended to and do not report on the reporting entity but rather are intended to reflect only the financial statements of the primary government.

B. Fund Accounting The accounts of the Town of Broussard are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped, in the financial statements in this report, into four generic fund types and two broad fund categories as follows:

GOVERNMENTAL FUNDS

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

Special Revenue Funds Special revenue funds are used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specific purposes.

Debt Service Funds Debt service funds are used to account for the accumulation of resources for the payment of general long-term debt principal, interest, and related costs.

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

PROPRIETARY FUND

Enterprise fund Enterprise funds are used to account for operations: (a) that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the cost (expense, 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.

C. Fixed Assets and Long-Term liabilities The accounting and reporting treatment applied to the fixed assets and long-term liabilities associated with a fund is determined by its measurement focus.

All Governmental funds are accounted for on a spending or "financial flow" measurement focus, and only current assets and current liabilities are generally included on their balance sheets.

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group and are recorded as expenditures in the governmental fund types when purchased. The Town has elected not to capitalize public domain ("infrastructure") fixed assets consisting of certain improvements other than buildings, including roads, bridges, sidewalks, and drainage improvements. As stipulated in the terms of an agreement by the Broussard Fire Department, all property acquired by the Department is acquired for and in the name of the municipality, the town of Broussard, Louisiana. Therefore, these assets are included in the Town of Broussard, Louisiana, General Fixed Assets Account Group. No depreciation has been provided on general fixed assets.

All fixed assets are stated at historical cost or estimated historical cost if actual historical cost is not available. Donated fixed assets are stated at their estimated fair value on the date donated. Estimated amounts are immaterial in relation to total fixed assets.

Long-term liabilities expected to be financed from governmental funds are accounted for in the General Long-Term Debt Account Group.

The proprietary fund is accounted for on a cost of services or "capital maintenance" measurement focus, and all assets and liabilities (whether current or noncurrent) associated with its activity are included on its balance sheet.

Depreciation of all exhaustible fixed assets used by the proprietary fund is charged as an expense against its operations. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Buildings	20-30 years
Utility system & improvements	10-30 years
Equipment	3-10 years

D. Basis of Accounting Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of measurements made, regardless of the measurement focus applied.

All governmental funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Sales taxes are considered "measurable" when in the hands of intermediary collecting governments and

are recognized as revenue at that time. Ad valorem taxes are recognized as revenue in the year in which they are billed. Other major revenues considered susceptible to accrual are grant revenues and interest on investments. Fees and nontax revenues are recognized when received. Grants from other governments are recognized when qualifying expenditures are incurred.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred, except that principal and interest on general long-term debt are recognized when due. Purchases of various operating supplies are recorded as expenditures at the time purchased.

The proprietary fund is accounted for using the accrual basis of accounting, whereby revenues are recognized when they are earned, and expenses are recognized when incurred. Unbilled utility service receivables resulting from utility services rendered between the date of meter reading and billing and the end of the month are estimated and recorded at year end.

E. Budgets and Budgetary Accounting The Town follows these procedures in establishing the budgetary data reflected in the financial statements:

The Mayor prepares a proposed budget and submits it to the Board of Aldermen no later than fifteen (15) days prior to the beginning of each fiscal year.

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.

A public hearing is held on the proposed budget at least ten (10) days after publication of the call for the hearing.

After the holding of the public hearing and completion of all action necessary to finalize and to 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.

Budgetary amendments involving an increase in a fund's appropriations must be approved by 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.

All budgetary appropriations lapse at the end of each fiscal year.

Budgets for all funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are the final authorized amounts as revised for the year.

F. Encumbrances Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation,

is not employed by the town as an extension of formal budgetary integration in the funds.

G. Interest-Bearing Deposits Interest-bearing deposits are stated at cost, which approximates market.

H. Statement of Cash Flows For purposes of the statement of cash flows, the Enterprise Fund considers all highly liquid investments with a maturity of three (3) months or less when purchased to be cash equivalents.

I. Bad Debts Uncollectible amounts due for customers' utility receivables are recognized as bad debts through the establishment of an allowance account. The allowance for uncollectible utility receivables at June 30, 1999, was 16,189.

J. Vacation and Sick Leave Unused vacation is paid for at the end of each calendar year. Sick leave accumulates up to 60 days; days in excess of thirty days are not paid to the employees. Unused vacation and sick leave (up to 30 days) are paid when an employee is terminated. Accrued vacation and sick leave at June 30, 1999, totaled 81,695.

K. Capitalization of Interest Expense It is the policy of the Town of Broussard to capitalize material amounts of interest resulting from borrowing in the course of the construction of fixed assets. For the year ended June 30, 1999, no capitalized interest expense was recorded.

L. Comparative Data Comparative total data for the prior year have been presented in the accompanying financial statements in order to provide an understanding of changes in the town's financial position and operations. However, comparative (i.e., presentation of prior year totals by fund type) data have not been presented in each of the statements, since their inclusion would make the statements unduly complex and difficult to read.

M. Total Columns on Combined Statements--Overview Total columns on the Combined Statements-Overview are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in cash flows in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

N. Dollar Signs All numeric data in the financial statements and accompanying notes are presented in U.S. dollars. Dollar signs have been omitted.

2. Deposits with Financial Institutions

Under state law, the Town may deposit funds with a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the union, or the laws of the United States. The Town may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At June 30, 1999, the Town had cash deposits (book balances) totaling 2,235,352.

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal

deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must, at all times equal the amount on deposit with the fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. At June 30, 1999, bank balances of deposits totaling 2,292,069 were secured or collateralized with securities held in the name of the pledging banks.

3. Marketable Securities

Under state law, (R.S. 33:2955), the Town may invest in any of the following obligations

- a) direct U.S. Treasury obligations, the principal and interest of which are fully guaranteed by the U.S. government.
- b) U.S. government agency obligations, the principal and interest of which are fully guaranteed by the government of the U.S.
- c) direct security repurchase agreements of federal securities listed at a) and b) above
- d) time certificates of deposit of state and national banks, savings and loans, and credit unions.
- e) mutual or trust funds registered with the Securities and Exchange Commission under the Securities Act of 1933 and the Investment Act of 1940, and which have underlying investments consisting solely of securities of the U.S. government or its agencies

State law should be consulted for various requirements and limitations relative to investments of Louisiana political subdivisions.

During the year ended June 30, 1999 the Town sold 17,947 shares of Putnam U.S. Government Income Trust generating a loss of 2,872. The shares were registered securities on deposit with Putnam in the name of the Town.

4. Restricted Assets-Proprietary Fund Type

Restricted assets were related to the customers' deposits liability of 69,454 at June 30, 1999.

5. Changes in General Fixed Assets

A summary of changes in general fixed assets follows:

	Balance July 30, 1998	Additions	Deletions	Balance June 30, 1999
Land	153,818	-	-	153,818
Building	732,357	-	-	732,357
Improvement other than buildings	8,872	-	-	8,872
Equipment	<u>1,197,101</u>	<u>224,049</u>	<u>20,917</u>	<u>1,400,233</u>
Total General Fixed Assets	<u>2,092,148</u>	<u>224,049</u>	<u>20,917</u>	<u>2,295,280</u>

A summary of proprietary-fund-type property, plant and equipment at June 30, 1999, follows:

Land	71,760
Buildings	65,401
Waterworks system and improvements	6,518,051
Sewer system and improvements	2,800,041
Construction work in progress	8,867
Equipment	<u>157,139</u>
Total	9,621,259
Less: Accumulated depreciation	<u>(2,984,034)</u>
Net utility fund property, plant & equipment	<u>6,637,225</u>

6. Changes in Long-Term Debt

The following is a summary of general obligation bond transactions of the Town for the year ended June 30, 1999:

Bonds payable, July 1, 1998	4,685,000
Bonds retired	(131,862)
Bonds issued	<u>945,000</u>
Bonds payable June 30, 1999	<u>5,498,138</u>

Bond obligations payable at June 30, 1999, consist of the following issues:

General Obligation Bonds

2,450,000 May 1, 1996 Public Improvement Sales Tax Bonds, Series ST-1996 due in annual installments of 55,000 to 230,000 through May 1, 2016; interest at 5.00 to 8.00 percent payable from sales tax revenues.	2,275,000
2,300,000 December 1, 1997 Public Improvement Sales Tax Bonds, Series ST-1997 due in annual installments of 70,000 to 185,000 through May 1, 2017, interest at 4.70 to 5.25 percent payable from sales tax revenues.	2,230,000
995,000 (Authorized) May 28, 1998 Sales Tax Bonds, Series A due in monthly installments of 5,800.85 through May 28, 2023; interest at 4.75 percent payable from sales tax revenues.	<u>993,138</u>
	<u>5,498,138</u>

The annual requirements to amortize all debt outstanding as of June 30, 1999, including interest payments of 3,364,305 are as follows:

Year Ended June 30,

2000	.....	458,465
2001	.....	464,665
2002	.....	464,785
2003	.....	464,220
2004	.....	465,561
2005 - 2009	.....	2,376,499
2010 - 2014	.....	2,472,651
2015 - 2019	.....	1,425,248
2020 - 2023	.....	<u>270,349</u>
		<u>8,862,443</u>

7. Dedication of Proceeds and Flow of Funds-Sales and Use Tax

Under the terms of the 1975 1% sales tax ordinance, the sales tax may be used for any lawful public purpose, and may be funded into bonds.

The terms of the bond ordinance of Sales Tax Bonds, Series A dated October 14, 1997 pledge and dedicate the proceeds of the 1975 1% sales and use tax to the retirement of said bonds and require those proceeds to be set aside as follows:

- A. The establishment and maintenance of a 1975 Sales Tax Bond Sinking Fund (the "Sinking Fund"), sufficient in amount to pay promptly and fully the principal of and interest on the Bonds, including any *pari passu* bonds issued hereafter, as they severally become due and payable, by transferring from the Sales Tax Fund to the regularly designated fiscal agent of the Issuer, monthly in advance on or before the 20th day of each month of each year a sum equal to the total amount of principal and interest falling due on the next payment date together with such additional proportionate sum as may be required to pay said principal and interest as the same respectively become due.

- B. The establishment and maintenance of a 1975 Sales Tax Bond Reserve Fund (the "Reserve Fund"), by transferring from the Sales Tax Fund into the Reserve Fund monthly in advance on or before the 20th day of each month of each year a sum at least equal to five percent (5%) of the amount to be paid monthly into the Sinking Fund, said payments to continue until such time as there has been accumulated in the Reserve Fund an amount equal to the Reserve Fund Requirement, the money in the Reserve Fund to be retained solely for the purpose of paying the principal of and the interest on the bonds payable from the aforesaid Sinking Fund as to which there would otherwise be default. In the event that additional *pari passu* bonds are issued hereafter in the manner provided by this Bond Ordinance, then such payments will be resumed until such time as there has been accumulated in the Reserve Fund an amount equal to the Reserve Fund Requirement

If at any time it shall be necessary to use moneys in the Reserve Fund for the purpose of paying principal or interest on bonds payable from the Sinking Fund as to which there would otherwise be default, then the moneys so used shall be replaced from the revenues first thereafter received from the Revenues of the Tax not hereinabove required to pay the expenses of collecting the Tax or to pay current principal and interest requirements,

it being the intention hereof that there shall as nearly as possible be at all times in the Reserve Fund an amount equal to the Reserve Fund Requirement.

All moneys remaining in the Sales Tax Fund on the 20th day of each month in excess of all reasonable and necessary expenses of collection and administration of the Tax and after making the required payments into the Sinking Fund and the Reserve Fund for the current month and for prior months during which the required payments may not have been made, shall be considered as surplus. Such surplus may be used by the Issuer for any of the purposes for which the Tax is authorized or for the purpose of retiring Bonds herein authorized in advance of their maturities.

Effective January 1, 1992, voters of the Town 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. The Town is authorized to fund the proceeds of the tax into bonds to pay the capital cost of the aforesaid purposes.

Under the terms of the bond indenture on outstanding Public Improvement Sales Tax Bonds, Series ST-1997 dated December 1, 1997, proceeds of the one percent sales and use tax (approved November 16, 1991) are pledged and dedicated to the retirement of said bonds and are to be set aside as follows:

- A. The maintenance of a Sales Tax Bond Sinking Fund-1996 (the "Sinking Fund"), sufficient in amount to pay promptly and fully the principal of and interest on the Bonds, including outstanding parity bonds and any additional parity bonds, as they severally become due and payable, by transferring from the Sales Tax Fund to the regularly designated fiscal agent of the Issuer, in advance or before the 20th day of each month of each year, a sum equal to one-sixth (1/6) of the interest due on the next Interest Payment Date and a sum equal to one-twelfth (1/12) of the principal falling due on the next principal payment date on all bonds payable from the Sinking Fund, together with such additional proportionate sum as may be required to pay said principal and interest as the same respectively become due.
- B. The maintenance of the Sales Tax Bond Reserve Fund-1996 (the "Reserve Fund"), heretofore established pursuant to the Parity Bond Resolution by transferring into the Reserve Fund, immediately upon delivery of the Bonds from the Sales Tax Fund, an amount sufficient to increase the total amount on deposit therein to meet the Reserve Fund Requirement, the money in the Reserve Fund to be retained solely for the purpose of paying the principal of and the interest on the Outstanding Parity Bonds and the Bonds payable from the aforesaid Sinking Fund as to which there would otherwise be default. In the event that Additional Parity Bonds are issued hereafter in the manner provided by the Bond Ordinance, there shall be transferred from the proceeds of such Additional Parity Bonds and/or from the Sales Tax Fund into the Reserve Fund monthly or annually, such amounts (as may be designated in the ordinance authorizing the issuance of such Additional Parity Bonds) as will increase the total amount on deposit in the Reserve Fund within a period not exceeding five (5) years to a sum equal to the Reserve Fund Requirement for all outstanding bonds payable from the Sinking Fund and any Additional Parity Bonds.

If at any time it shall be necessary to use moneys in the Reserve Fund for the purpose of paying principal or interest on bonds payable from the Sinking Fund as to which there would otherwise be default, then the moneys so used shall be replaced from the revenues first thereafter received from the Revenues of the Tax not hereinabove required to pay the expenses of collecting the Tax or to pay current principal and interest requirements, it being the intention hereof that there shall as nearly as possible be at all times in the Reserve Fund an amount equal to the Reserve Fund Requirement.

All moneys remaining in the Sales Tax Fund on the 20th day of each month in excess of all reasonable and necessary expenses of collection and administration of the Tax and after making the required payments into the Sinking Fund and the Reserve Fund for the current month and for prior months during which the required payments may not have been made, shall be considered as surplus. Such surplus may be used by the Issuer for any of the purposes for which the Tax is authorized or for the purpose of retiring Bonds in advance of their maturities.

8. Retirement and Deferred Compensation Commitments

The Town offers its employees a deferred compensation plan created in accordance with Internal Revenue Code (IRC) Section 457. The plan, available to all City employees, 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 Town contributes 4% to 8% of wages to each participating employee account based on years of service. For the year ended June 30, 1999 the Town's total contributions were 33,769.

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, 1999 was 177,286.

All employees of the Town of Broussard are also members of the Social Security System. The Town and its employees contribute a percentage of each employee's salary to the System (7.65% contributed by the Town; 7.65%, by the employee). The Town's contribution during the year ended June 30, 1999, was 68,809.

9. Segment Information for the Enterprise Fund

The Town of Broussard maintains one enterprise fund with three departments which provide water, sewerage and garbage services. Segment information for the year ended June 30, 1999, was as follows:

	Water Department	Sewerage Department	Garbage Department	Total Enterprise Fund
Operating Revenues	392,070	144,063	189,884	726,017
Operating Expenses:				
Depreciation	(211,336)	(79,707)	-	(291,043)
Other	(320,481)	(288,779)	(179,492)	(788,752)
Operating Profit (loss)	(139,747)	(224,423)	<u>10,392</u>	(353,778)

At June 30, 1999 the Town was furnishing utility services to 1,701 water (metered) customers, 1,471 sewerage customers and 1,543 garbage customers.

10. Contributed Capital

Amounts contributed to the Utility Fund for acquisition or construction of fixed assets are recognized as contributed capital. Contributed capital generated through grants externally restricted for capital acquisition is amortized based upon the depreciation recognized on that portion of the assets acquired or constructed from such grants. This depreciation is closed to the appropriate contributed capital account and is reflected as an adjustment to net income on the Comparative Statement of Revenues, Expenses, and Changes in Retained Earnings.

The sources of and changes in contributed capital used to acquire and to construct facilities of the enterprise fund are as follows:

	Private Developers	State Grants	Federal Grants	Municipality	Total
Total contributed capital 6/30/98	15,000	115,354	820,145	3,520,194	4,470,693
Contributed capital this year	-	244,619	78,532	64,909	388,060
Less accumulated amortization	-	<u>36,933</u>	<u>175,029</u>	-	<u>211,962</u>
Net contributed capital	<u>15,000</u>	<u>323,040</u>	<u>723,648</u>	<u>3,585,103</u>	<u>4,646,791</u>

During the years ended June 30, 1999 and 1998, the capital projects fund contributed capital to the utility fund of 64,909 and 700,203 respectively.

11. Compensation of Mayor and Aldermen

The Mayor and Aldermen were paid 35,658 and 34,913, respectively, during the fiscal year ended June 30, 1999.

12. Litigation and Claims

At June 30, 1999, the Town was involved in several lawsuits claiming damages. In the opinion of the Town's legal counsel, resolution of these lawsuits would not create a liability to the Town in excess of insurance coverage.

Additionally, the Town is involved in litigation relative to the value and damages related to certain rights of way. Management and legal counsel estimate legal and settlement costs to be 247,000 and that amount has been accrued in the Capital Projects Fund.

13. Risk Management

The Town 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, 1999.

14. On-Behalf Payments of Salaries

The State of Louisiana paid the Town's policemen 34,800 of supplemental pay during the year ended June 30, 1999. That amount is included in the accompanying financial statements as intergovernmental revenues and police salaries in the general fund.

15. Deficit Fund Balance

A deficit fund balance of 308,940 existed in the capital projects fund as of June 30, 1999. The deficit shall be funded by transfers from the Sales Tax Fund and a portion of the Sale Tax Fund's fund balance has been reserved for that purpose.

16. Capital Projects Fund Contribution from Private Developer

The Town received 300,000 from a private developer to defray a portion of the costs of adding two lanes to the intersection of U.S. HWY 90 and Albertson's Parkway.

SUPPLEMENTAL INFORMATION

TOWN OF BROUSSARD, LOUISIANA

Year 2000 Issue (unaudited)

Impact of Year 2000 on Computer Programs (Unaudited)

The Year 2000 issue is the result of computer programs being written using two digits rather than four to define the applicable year. Any of the Town's computer programs that have time sensitive software may recognize a date using "00" as the year 1900 rather than the year 2000. This could result in a system failure or miscalculations causing disruptions of operations, including among other things, a temporary inability to process transactions or engage in similar normal business activities.

The Town of Broussard is utilizing external resources to identify and test the systems for Year 2000 compliance. To date, a preliminary assessment of the impact of this issue has not been completed. Consequently, management has not assessed the Year 2000 compliance expense and related potential effect on the Town's earnings.

Because of the unprecedented nature of the Year 2000 issue, its effects and the success of related remediation efforts will not be fully determinable until the year 2000 and thereafter. Management cannot assure that the Town is or will be Year 2000 ready, that the Town's remediation efforts will be successful in whole or in part, or that parties with whom the Town does business will be year 2000 ready.

**FINANCIAL STATEMENTS OF INDIVIDUAL FUNDS
AND ACCOUNT GROUPS**

GENERAL FUND

To account for resources traditionally associated with governments which are not required to be accounted for in another fund.

TOWN OF BROUSSARD, LOUISIANA

**GENERAL FUND
COMPARATIVE BALANCE SHEET
June 30, 1999 and 1998**

	1999	1998
ASSETS		
Cash and interest bearing deposits	492,874	282,535
Marketable securities	-	234,030
Due from other governments	100,534	-
Receivables:		
Taxes and licenses	51,013	-
Dividends	-	389
Prepaid insurance	47,361	70,141
Total Assets	691,782	587,095
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable	76,158	110,027
Accrued liabilities	71,193	56,516
Total liabilities	147,351	166,543
Fund balance-unreserved, undesignated	544,431	420,552
Total liabilities and fund balance	691,782	587,095

TOWN OF BROUSSARD, LOUISIANA

GENERAL FUND

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL**

Year Ended June 30, 1999

With Comparative Actual Amounts for Year Ended June 30, 1998

	1999			1998
	Budget	Actual	Variance-Favorable (Unfavorable)	Actual
Revenues:				
Taxes	180,000	209,567	29,567	172,800
Licenses & permits	395,000	470,975	75,975	415,430
Intergovernmental	510,768	606,804	96,036	274,103
Fines & forfeits	140,000	162,996	22,996	130,818
Miscellaneous	63,000	57,131	(5,869)	63,811
Total revenues	1,288,768	1,507,473	218,705	1,056,962
Expenditures-current:				
General government	413,000	413,117	(117)	383,016
Public safety-Police	575,000	563,421	11,579	515,534
Public safety-Fire	95,600	84,213	11,387	47,112
Highways & streets	1,162,000	988,434	173,566	892,536
Expenditures-capital outlay	194,500	196,925	(2,425)	136,236
Total expenditures	2,440,100	2,246,110	193,990	1,974,434
Excess (deficiency) revenues over expenditures	(1,151,332)	(738,637)	412,695	(917,472)
Other financing sources				
Operating transfers in	1,300,000	862,516	(437,484)	989,236
Operating transfers out	-	-	-	-
Total other financing sources (uses)	1,300,000	862,516	(437,484)	989,236
Excess (deficiency) of revenues & other sources over expenditures & other uses	148,668	123,879	(24,789)	71,764
Fund balance-beginning	420,552	420,552	-	348,788
Fund balance-ending	569,220	544,431	(24,789)	420,552

**TOWN OF BROUSSARD, LOUISIANA
GENERAL FUND**

**STATEMENT OF REVENUES COMPARED TO BUDGET (GAAP BASIS)
Year Ended June 30, 1999**

With Comparative Actual Amounts for Year Ended June 30, 1998

	1999			1998
	Budget	Actual	Variance-Favorable (Unfavorable)	Actual
Taxes - Franchise	180,000	209,567	29,567	172,800
Licenses & permits:				
Occupational licenses	250,000	293,226	43,226	245,000
Insurance occupational licenses	90,000	113,088	23,088	102,137
Permits	55,000	64,661	9,661	68,293
	395,000	470,975	75,975	415,430
Intergovernmental:				
LEDA grant	-	-	-	-
State of Louisiana:				
On-behalf payment	32,000	34,800	2,800	30,530
Highway maintenance	5,000	4,366	(634)	13,412
Video poker	370,000	450,611	80,611	186,430
Tobacco tax	16,000	20,400	4,400	16,320
Other	80,768	87,854	7,086	20,626
Beer tax	7,000	8,773	1,773	6,785
	510,768	606,804	96,036	274,103
Fines & forfeits:				
Fines collected	140,000	162,996	22,996	130,818
Miscellaneous:				
Contribution-private source	-	3,678	3,678	-
Interest & dividend income	13,000	10,607	(2,393)	13,901
Loss on marketable securities	-	(2,872)	(2,872)	-
Net increase in the fair value of investments	-	-	-	10,948
Other sources	50,000	45,718	(4,282)	38,962
	63,000	57,131	(5,869)	63,811
Total revenues	1,288,768	1,507,473	218,705	1,056,962

TOWN OF BROUSSARD, LOUISIANA
GENERAL FUND
STATEMENT OF EXPENDITURES COMPARED TO BUDGET (GAAP BASIS)
Year Ended June 30, 1999
with Comparative Actual Amounts for Year Ended June 30, 1998

	1999			1998
	Budget	Actual	Variance-Favorable (Unfavorable)	Actual
Current:				
General government-				
Salaries	129,000	127,674	1,326	111,271
Payroll taxes	13,300	10,707	2,593	9,665
Group insurance	9,000	8,780	220	7,729
Retirement expense	7,000	4,907	2,093	3,828
Insurance expense	20,000	16,965	3,035	13,126
Office expense	22,000	19,114	2,886	21,583
Utilities	6,500	4,999	1,501	5,595
Telephone	8,000	8,040	(40)	8,298
Advertising	12,000	11,891	109	12,739
Dues	1,200	1,877	(677)	30
Supplies	3,000	2,259	741	3,088
Professional fees	94,000	94,994	(994)	106,574
Miscellaneous	41,000	47,359	(6,359)	29,409
Travel expense	7,000	7,650	(650)	5,624
Magistrate court expense	30,000	36,258	(6,258)	30,359
Repairs and maintenance	10,000	9,643	357	14,098
Total general government	413,000	413,117	(117)	383,016
Public Safety-				
Police department:				
Salaries	261,000	264,091	(3,091)	225,288
On-behalf payments - Salaries	32,000	34,800	(2,800)	30,530
Payroll taxes	25,000	20,857	4,143	17,658
Retirement	9,000	9,883	(883)	7,424

(continued)

TOWN OF BROUSSARD, LOUISIANA

GENERAL FUND
STATEMENT OF EXPENDITURES COMPARED TO BUDGET
(GAAP BASIS) (CONTINUED)

Year Ended June 30, 1999

With Comparative Actual Amounts for Year Ended June 30, 1998

	1999			1998
	Budget	Actual	Variance-Favorable (Unfavorable)	Actual
Police department (continued):				
Insurance	60,000	43,734	16,266	56,504
Group insurance	45,000	44,365	635	35,265
Auto expense	45,000	44,750	250	52,660
Uniforms and supplies	45,000	45,698	(698)	40,118
Miscellaneous	19,000	21,202	(2,202)	21,243
Repair and maintenance	10,000	11,893	(1,893)	8,594
Utilities and communication	24,000	22,148	1,852	20,250
Total police department	575,000	563,421	11,579	515,534
Fire department:				
Truck expense	30,000	15,224	14,776	14,114
Insurance	15,000	17,405	(2,405)	14,933
Utilities and telephone	12,000	11,578	422	11,131
Repairs and maintenance	5,000	3,932	1,068	2,346
Supplies	29,000	28,644	356	2,843
Miscellaneous	4,600	7,430	(2,830)	1,745
Total fire department	95,600	84,213	11,387	47,112
Total public safety	670,600	647,634	22,966	562,646
Highways and streets-				
Salaries	316,000	320,424	(4,424)	284,469
Payroll taxes	31,000	25,704	5,296	29,359
Retirement expense	14,000	12,242	1,758	12,230

(continued)

TOWN OF BROUSSARD, LOUISIANA

**GENERAL FUND
STATEMENT OF EXPENDITURES COMPARED TO BUDGET
(GAAP BASIS) (CONTINUED)**

Year Ended June 30, 1999

With Comparative Actual Amounts for Year Ended June 30, 1998

	1999			1998
	Budget	Actual	Variance-Favorable (Unfavorable)	Actual
Highways and streets (continued)-				
Group insurance	45,000	40,102	4,898	47,696
Insurance expense	120,000	56,553	63,447	103,933
Equipment expense	140,000	113,332	26,668	120,232
Street maintenance	285,000	222,504	62,496	162,573
Engineering fees	65,000	45,759	19,241	27,029
Utilities and telephone	55,000	54,183	817	48,218
Supplies and uniforms	55,000	52,513	2,487	48,942
LCDBG street overlay	-	-	-	-
Miscellaneous	36,000	45,118	(9,118)	7,855
Total highways and streets	1,162,000	988,434	173,566	892,536
Capital outlay:				
Land & buildings	-	-	-	16,684
Equipment	194,500	196,925	(2,425)	119,552
Total Capital outlay	194,500	196,925	(2,425)	136,236
Total expenditures	2,440,100	2,246,110	193,990	1,974,434

SPECIAL REVENUE FUND

SALES TAX FUND

To account for the receipt and use of proceeds of the Town's 1975 1% and 1991 1% sales taxes. Both taxes are dedicated to the payment of various Public Improvement Bonds. After payment of debt service, the 1975 tax is available for any lawful purpose, and the 1991 tax is restricted to constructing, improving, operating and maintaining waterworks, sewer, fire and police protection, streets, bridges and drainage facilities.

TOWN OF BROUSSARD, LOUISIANA

SPECIAL REVENUE FUND
 SALES TAX FUND
 COMPARATIVE BALANCE SHEET
 June 30, 1999 and 1998

	1999	1998
ASSETS		
Cash and interest bearing deposits	833,638	635,462
Sales tax receivable	173,923	245,674
Total assets	1,007,561	881,136
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable	1,339	9,921
Fund balances -		
Reserved for capital projects	308,940	-
Unreserved, undesignated	697,282	871,215
Total liabilities and fund balance	1,007,561	881,136

TOWN OF BROUSSARD, LOUISIANA

**SPECIAL REVENUE FUND
SALES TAX FUND**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCE-BUDGET (GAAP BASIS) AND ACTUAL**

Year Ended June 30, 1999

With Comparative Actual Amounts for Year Ended June 30, 1998

	1999			1998
	Budget	Actual	Variance-Favorable (Unfavorable)	Actual
Revenues:				
Taxes-sales taxes	2,400,000	2,374,863	(25,137)	2,572,578
Miscellaneous	12,000	17,434	5,434	14,076
Total revenues	2,412,000	2,392,297	(19,703)	2,586,654
Expenditures-Current:				
General government	23,500	24,249	(749)	23,245
Total expenditures	23,500	24,249	(749)	23,245
Excess of revenues over expenditures	2,388,500	2,368,048	(20,452)	2,563,409
Other financing sources (uses):				
Operating transfers out	(2,555,500)	(2,233,041)	322,459	(2,259,349)
Excess (deficiency) of revenues over expenditures and other uses	(167,000)	135,007	302,007	304,060
Fund balance-beginning	871,215	871,215	-	567,155
Fund balance-ending	704,215	1,006,222	302,007	871,215

TOWN OF BROUSSARD, LOUISIANA

**SPECIAL REVENUE FUND--SALES TAX FUND
STATEMENT OF EXPENDITURES COMPARED TO BUDGET (GAAP BASIS)**

Year Ended June 30, 1999

With Comparative Actual Amounts for Year Ended June 30, 1998

	1999			1998
	Budget	Actual	Variance-Favorable (Unfavorable)	Actual
General government:				
Collection fees	20,000	20,642	(642)	20,403
Legal and accounting	3,500	3,607	(107)	2,842
Total general government	23,500	24,249	(749)	23,245
Total expenditures	23,500	24,249	(749)	23,245

DEBT SERVICE FUNDS

Sales Tax Bonds (5/01/96)

To accumulate monies for payment of the 1996 2,450,000 Sales Tax Public Improvement bonds which are due in annual installments, plus interest, through maturity in 2016. Debt service is financed from the proceeds of the Town's November 16, 1991 one (1) percent sales and use tax.

Sales Tax Bonds (12/01/97)

To accumulate monies for payment of the 1997 2,300,000 Sales Tax Public Improvement bonds which are due in annual installments, plus interest, through maturity in 2017. Debt service is financed from the proceeds of the Town's November 16, 1991 one (1) percent sales and use tax.

Sales Tax Bonds (5/28/98)

To accumulate monies for payment of the 1998 995,000 Sales Tax Public Improvement bonds which are due in monthly installments, plus interest, through maturity in 2023. Debt service is financed from the proceeds of the Town's June 28, 1975 one (1) percent sales and use tax.

TOWN OF BROUSSARD, LOUISIANA

**DEBT SERVICE FUNDS
COMBINING BALANCE SHEET**

June 30, 1999

With Comparative June 30, 1998 Totals

	Sales Tax Bond 1998	Sales Tax Bond 1997	Sales Tax Bond 1996	Totals	
				1999	1998
ASSETS					
Cash	26,051	36,168	37,950	100,169	71,057
Certificates of deposits	-	209,367	261,791	471,158	460,078
Total assets	26,051	245,535	299,741	571,327	531,135
LIABILITIES AND FUND BALANCES					
Liabilities:					
Total liabilities	-	-	-	-	-
Fund balances:					
Reserved for debt service	26,051	245,535	299,741	571,327	531,135
Unreserved, undesignated	-	-	-	-	-
Total fund balances	26,051	245,535	299,741	571,327	531,135
Total liabilities & fund balances	26,051	245,535	299,741	571,327	531,135

TOWN OF BROUSSARD, LOUISIANA

DEBT SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
Year Ended June 30, 1999
With Comparative Totals for Year Ended June 30, 1998

	Sales Tax Bond	Sales Tax Bond	Sales Tax Bond	Total	
	1998	1997	1996	1999	1998
Revenues:					
Miscellaneous -					
Interest on savings	664	9,230	11,082	20,976	15,213
Total revenues	664	9,230	11,082	20,976	15,213
Expenditures:					
Debt Service -					
Principal retirement	3,938	70,000	60,000	133,938	60,000
Interest	23,126	117,210	139,735	280,071	190,442
Paying agent fees	622	1,408	1,115	3,145	1,329
Total debt service	27,686	188,618	200,850	417,154	251,771
Total expenditures	27,686	188,618	200,850	417,154	251,771
Excess (deficiency) of revenues over expenditures	(27,022)	(179,388)	(189,768)	(396,178)	(236,558)
Other financing sources:					
Operating transfers in	49,107	187,495	199,768	436,370	486,784
Excess (deficiency) of revenues & other sources over expenditures	22,085	8,107	10,000	40,192	250,226
Fund balances, beginning of year	3,966	237,428	289,741	531,135	280,909
Less: Residual equity transfer	-	-	-	-	-
Fund balances, end of year	26,051	245,535	299,741	571,327	531,135

CAPITAL PROJECTS FUND

Capital Projects Fund - To account for various capital projects financed by sales tax bonds.

TOWN OF BROUSSARD, LOUISIANA

CAPITAL PROJECTS FUND
BALANCE SHEET
June 30, 1999 and 1998

	1999	1998
ASSETS		
Cash	402	1,263,350
Total assets	402	1,263,350
LIABILITIES AND FUND BALANCES		
Liabilities:		
Accounts payable	37,342	220,138
Retainage payable	25,000	180,907
Accrued right-of-way cost	247,000	-
Fund balances:		
Designated for capital improvements	(308,940)	862,305
Total liabilities and fund balances	402	1,263,350

TOWN OF BROUSSARD, LOUISIANA

**CAPITAL PROJECTS FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
Years Ended June 30, 1999 and 1998**

	1999	1998
Revenues:		
Intergovernmental revenue	7,205	-
Miscellaneous -		
Contribution from private developer	300,000	-
Interest on investments	15,033	61,922
Total revenues	322,238	61,922
Expenditures:		
Capital outlays		
Waterline 1996 Bond Program	-	7,397
Street Overlay	50,173	109
Elevated Water Tank/Well/Lines	195	548,760
Hwy 182 Sewer	64,714	144,959
La Neuville Project	2,671,727	1,993,505
Total capital outlays	2,786,809	2,694,730
Total expenditures	2,786,809	2,694,730
Deficiency of revenues over expenditures	(2,464,571)	(2,632,808)
Other financing sources (uses):		
Proceeds from bond issuance	945,000	2,350,000
Operating transfers in	348,326	523,025
Operating transfers out	-	(199,072)
Total other financing sources (uses)	1,293,326	2,673,953
Excess (deficiency) of revenues & other sources over expenditures	(1,171,245)	41,145
Fund balance, beginning of year	862,305	821,160
Fund balance, (deficit) end of year	(308,940)	862,305

ENTERPRISE FUND

UTILITY FUND

To account for the provision of water, sewerage 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.

TOWN OF BROUSSARD, LOUISIANA

ENTERPRISE FUND
UTILITY FUND
COMPARATIVE BALANCE SHEET
June 30, 1999 and 1998

ASSETS	1999	1998
Current assets:		
Cash	267,657	214,700
Due from other government - LCDBG program	17,548	-
Receivables:		
Accounts, net of allowance for uncollectible (1999: \$16,189; 1998: \$14,133)	88,090	82,037
Other	26,897	-
Prepaid insurance	9,027	12,581
Total current assets	409,219	309,318
Restricted assets:		
Customers' deposits-		
Cash	69,454	63,410
Total restricted assets	69,454	63,410
Property, plant & equipment, at cost, net of accumulated depreciation (1999: \$2,984,034; 1998: \$2,692,992)	6,637,225	6,119,570
Total assets	7,115,898	6,492,298

LIABILITIES AND FUND EQUITY	1999	1998
Liabilities:		
Current liabilities (payable from current assets):		
Accounts payable - operating	45,365	71,889
Accounts payable - other	17,548	-
Sales and payroll taxes payable	1,152	990
Compensated absences payable	18,771	15,266
Accrued payroll	1,173	1,140
Total current liabilities (payable from current assets)	84,009	89,285
Current liabilities (payable form restricted assets):		
Customers' deposits	69,454	63,410
Total liabilities	153,463	152,695
Fund equity:		
Contributed capital-		
Municipality	3,585,103	3,520,194
Federal grants, net of accumulated amortization (1999: \$175,029; 1998: \$162,527)	723,648	657,618
State grants, net of accumulated amortization (1999: \$36,933; 1998 \$34,333)	323,040	81,021
Private developers	15,000	15,000
Total contributed capital	4,646,791	4,273,833
Retained earnings-unreserved	2,315,644	2,065,770
Total fund equity	6,962,435	6,339,603
Total liabilities and fund equity	7,115,898	6,492,298

TOWN OF BROUSSARD, LOUISIANA

ENTERPRISE FUND
UTILITY FUND

COMPARATIVE STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN RETAINED EARNINGS

Years Ended June 30, 1999 and 1998

	1999	1998
Operating revenues:		
Charges for services:		
Water sales	356,821	290,316
Water connections	24,302	24,309
Sewer service charges	134,806	116,560
Sewer inspection & permits	5,126	4,850
Garbage revenue	184,307	179,088
Miscellaneous	20,655	21,897
Total operating revenues	726,017	637,020
Operating expenses:		
Water department	531,817	427,107
Sewerage department	368,486	367,135
Garbage department	179,492	174,931
Total operating expenses	1,079,795	969,173
Operating loss	(353,778)	(332,153)
Nonoperating revenues (expenses):		
Interest income	2,721	2,439
Loss before operating transfers	(351,057)	(329,714)
Operating transfers in	585,829	459,375
Net income (loss)	234,772	129,661

(continued)

TOWN OF BROUSSARD, LOUISIANA

ENTERPRISE FUND

UTILITY FUND

COMPARATIVE STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN RETAINED EARNINGS (CONTINUED)

Years Ended June 30, 1999 and 1998

	1999	1998
Add: Depreciation on fixed assets acquired by funds externally restricted for capital acquisitions and construction that reduces contributed capital:		
Federal grant reserves	12,502	12,502
State grant reserves	2,600	2,600
Increase (decrease) in retained earnings	249,874	144,763
Retained earnings, beginning	2,065,770	1,921,007
Residual equity transfer	-	-
Retained earnings, ending	2,315,644	2,065,770

TOWN OF BROUSSARD, LOUISIANA

ENTERPRISE FUND
UTILITY FUND

COMPARATIVE STATEMENT OF OPERATING EXPENSES BY DEPARTMENT
Years Ended June 30, 1999 and 1998

	1999	1998
Water department:		
Salaries	58,953	46,407
Payroll taxes and retirement	6,974	5,296
Bad debt	1,667	1,790
Group insurance	11,331	6,926
Professional fees	31,436	6,744
Engineering fees	16,010	3,030
Repairs and maintenance	66,034	59,988
Truck expenses	3,661	4,774
Utilities	30,515	25,063
Material and supplies	15,373	16,934
Depreciation	211,336	180,727
Insurance	12,752	22,925
Office expense	4,079	5,595
Water lease	59,213	38,036
Miscellaneous	2,483	2,872
Total water department	531,817	427,107
Sewerage department:		
Salaries	91,420	68,765
Payroll taxes and retirement	10,960	7,963
Bad debts	411	37
Group insurance	9,358	8,199
Professional fees	13,483	7,623
Engineering fees	16,750	56,143
Repairs and maintenance	86,973	74,771

(continued)

TOWN OF BROUSSARD, LOUISIANA

**ENTERPRISE FUND
UTILITY FUND**

COMPARATIVE STATEMENT OF OPERATING EXPENSES BY DEPARTMENT (CONTINUED)
Years Ended June 30, 1999 and 1998

	1999	1998
Sewerage department (continued):		
Utilities	41,135	38,029
Materials and supplies	3,856	10,505
Depreciation	79,707	79,667
Insurance	5,062	8,889
Office expense	1,443	1,365
Truck expense	3,554	3,066
Miscellaneous	4,374	2,113
Total sewerage department	368,486	367,135
Garbage department:		
Bad debts	555	66
Supplies	300	649
Garbage collection expense	178,637	174,216
Office expense	-	-
Miscellaneous	-	-
Total garbage department	179,492	174,931
Total operating expenses	1,079,795	969,173

TOWN OF BROUSSARD, LOUISIANA

ENTERPRISE FUND
UTILITY FUND
COMPARATIVE STATEMENT OF CASH FLOWS
Years Ended June 30, 1999 and 1998

	1999	1998
Cash flows from operating activities:		
Net operating loss	(353,778)	(332,153)
Adjustments to reconcile net operating income to net cash provided by operating activities:		
Depreciation	291,042	260,394
Provisions for uncollectible accounts	2,056	193
Grant receivables applicable to operating expenses	17,548	-
Changes in assets and liabilities-		
(Increase) decrease in operating accounts receivable	(8,109)	(15,923)
(Increase) decrease in prepaid expenses	3,554	(1,345)
Increase (decrease) in operating accounts payable	(26,524)	3,549
Increase (decrease) in meter deposits	6,044	7,890
Increase (decrease) in accrued liabilities	3,700	3,478
Total adjustments	289,311	258,236
Net cash used by operating activities	(64,467)	(73,917)
Cash flows from noncapital financing activities:		
Residual equity transfer	-	-
Operating transfers in from other funds	585,829	459,375
Net cash provided by noncapital financing activities	585,829	459,375
Cash flows from capital and related financing activities:		
Capital contributed from developers	-	15,000
Capital contributed from federal & state grants	278,707	-
Acquisition and construction of property, plant and equipment	(743,789)	(342,717)
Net cash used by capital and related financing activities	(465,082)	(327,717)

(continued)

TOWN OF BROUSSARD, LOUISIANA

ENTERPRISE FUND

UTILITY FUND

COMPARATIVE STATEMENT OF CASH FLOWS (CONTINUED)

Years Ended June 30, 1999 and 1998

	1999	1998
Cash flows from investing activities:		
Interest received on interest-bearing deposits	2,721	2,439
Net cash provided by investing activities	2,721	2,439
Net increase (decrease) in cash and cash equivalents	59,001	60,180
Cash and cash equivalents, beginning of period	278,110	217,930
Cash and cash equivalents, end of period	337,111	278,110
Reconciliation of cash and cash equivalents per statement of cash flows to the balance sheet:		
Cash and cash equivalents-beginning of period-		
Cash-unrestricted	214,700	162,410
Cash-restricted	63,410	55,520
Total cash and cash equivalents, beginning	278,110	217,930
Cash and cash equivalents, end of period-		
Cash-unrestricted	267,657	214,700
Cash-restricted	69,454	63,410
Total cash and cash equivalents, ending	337,111	278,110
Net increase (decrease) in cash and cash equivalents	59,001	60,180
Noncash investing, capital and financing activities:		
Property plant and equipment contributed by other funds	64,909	700,203

GENERAL FIXED ASSETS ACCOUNT GROUP

To account for fixed assets not used in proprietary fund operations.

TOWN OF BROUSSARD, LOUISIANA

COMPARATIVE STATEMENT OF GENERAL FIXED ASSETS
June 30, 1999 and 1998

	1999	1998
General fixed assets, at cost:		
Land	153,818	153,818
Buildings	732,357	732,357
Improvements other than buildings	8,872	8,872
Equipment	1,400,233	1,197,101
Total general fixed assets	2,295,280	2,092,148
Investment in general fixed assets:		
Property acquired from-		
General fund revenue	1,744,139	1,568,130
Federal revenue sharing funds	34,209	34,209
Sales tax revenue	241,145	241,145
Parish council grant	2,411	2,411
Broussard Fire Department	273,376	246,253
Total investment in general fixed assets	2,295,280	2,092,148

TOWN OF BROUSSARD, LOUISIANA

STATEMENT OF CHANGES IN GENERAL FIXED ASSETS
Year Ended June 30, 1999

	Land	Buildings	Improvements Other Than Buildings	Equipment	Total
General fixed assets, beginning of year	153,818	732,357	8,872	1,197,101	2,092,148
Additions:					
General fund revenue	-	-	-	196,926	196,926
Sales tax revenue	-	-	-	-	-
Broussard Fire Dept.	-	-	-	27,123	27,123
Total additions	-	-	-	224,049	224,049
Total balances and additions	153,818	732,357	8,872	1,421,150	2,316,197
Deductions:					
Total deductions	-	-	-	20,917	20,917
General fixed assets, end of year	153,818	732,357	8,872	1,400,233	2,295,280

GENERAL LONG-TERM DEBT ACCOUNT GROUP

To account for the unmatured principal amount of general long-term debt expected to be financed from governmental type funds. Payment of maturing obligations, including interest, are accounted for in the debt service funds.

TOWN OF BROUSSARD, LOUISIANA

STATEMENT OF GENERAL LONG-TERM DEBT

June 30, 1999

With Comparative Totals for June 30, 1998

	Sales Tax	Sales Tax	Sales Tax	Totals	
	Bond 1998	Bond 1997	Bond 1996	1999	1998
AMOUNT AVAILABLE & TO BE PROVIDED FOR THE RETIREMENT OF GENERAL LONG-TERM DEBT					
Amount available in debt service funds for debt retirement	26,051	245,535	299,741	571,327	531,135
Amount to be provided from:					
Sales taxes	967,087	1,984,465	1,975,259	4,926,811	4,153,865
Total available & to be provided	993,138	2,230,000	2,275,000	5,498,138	4,685,000
GENERAL LONG-TERM DEBT PAYABLE					
Bonds Payable:					
Due within one year	22,931	75,000	65,000	162,931	131,862
Due after one year	970,207	2,155,000	2,210,000	5,335,207	4,553,138
Total bonds payable	993,138	2,230,000	2,275,000	5,498,138	4,685,000

INTERNAL CONTROL AND COMPLIANCE

J. L. SONNIER
CERTIFIED PUBLIC ACCOUNTANT

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

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

I have audited the primary government financial statements of the Town of Broussard, Louisiana, as of and for the year ended June 30, 1999, and have issued my report thereon dated December 17, 1999. My report states that the Town of Broussard, Louisiana's financial statements do not include the financial data of the component units of the Town. Accordingly, these financial statements (primary government only) do not present fairly the financial position of the Town as of June 30, 1999 or the results of operations and cash flows of its proprietary fund type for the year then ended in conformity with generally accepted accounting principles.

I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Town of Broussard, Louisiana's, primary government financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed instances of noncompliance that are required to be reported under *Government Auditing Standards*, which are described in the accompanying schedule of findings and management's corrective action plan as items 99-2 and 99-3.

Internal control Over Financial Reporting

In planning and performing my audit, I considered the Town of Broussard, Louisiana's, internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the primary government financial statements and not to provide assurance on the internal control over financial reporting. However, I noted certain matters involving the internal control over financial reporting and its operation that I consider to be reportable conditions. Reportable conditions involve matters coming to my

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

The Honorable Charles E. Langlinais, Mayor
and Members of the Board of Alderman
Town of Broussard, Louisiana

Compliance

I have audited the compliance of the Town of Broussard, Louisiana with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 1999. Town of Broussard, Louisiana's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Town of Broussard, Louisiana's management. My responsibility is to express an opinion on the Town of Broussard, Louisiana's compliance based on my audit.

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

In my opinion, the Town of Broussard, Louisiana, complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 1999.

Internal Control Over Compliance

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

I noted a certain matter involving the internal control over compliance and its operation that I consider to be a reportable condition. Reportable conditions involve matters coming to my attention relating to significant deficiencies in the design or operation of the internal control over compliance that, in my judgment, could adversely affect the Town of Broussard, Louisiana's ability to administer a major federal program in accordance with the applicable requirements of laws, regulations, contracts and grants. The reportable condition is described in the accompanying schedule of findings and management's corrective action plan as item 99-4.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with the applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. My consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, I believe that the reportable condition described above is a material weakness.

This report is intended solely for the information and use of management, others within the organization, federal awarding agencies and pass-through entities and the Louisiana Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties.



December 17, 1999

TOWN OF BROUSSARD, LOUISIANA

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1999

<u>Federal Grantor/ Pass-Through Grantor: Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-through Entity Identifying Number</u>	<u>Expended This Year</u>
Major Federal Assistance Program:			
U. S. Department of Agriculture Rural Development	10.766	N/A	945,000
Non-major Federal Assistance Programs:			
U. S. Department of Justice Law Enforcement Equipment	16.592	972421C0613	5,489
K-9 Interdiction	16.579	B974025	9,647
Public Safety & Community Policing (COPS)	16.710	N/A	25,363
U. S. Department of Housing and Urban Development: Block Grant Program 1998 LCDBG	14.228	107900363	78,532
U. S. Department of Transportation State & Community Hwy Safety	20.600	999022	<u>1,715</u>
Total expenditure of federal awards			<u>1,065,746</u>

TOWN OF BROUSSARD, LOUISIANA

Schedule of Findings and
Management's Corrective Action Plan
Year Ended June 30, 1999

Part I: Summary of Auditor's Results:

1. An unqualified report was issued on the primary government financial statements.
2. A reportable condition in internal control was disclosed by the audit of the primary government financial statements, and it was considered to be a material weakness.
3. Material noncompliance was disclosed.
4. A reportable condition in internal control over the major program was disclosed by the audit of the primary government financial statements and that condition was considered to be a material weakness.
5. An unqualified opinion was issued on compliance for the major program.
6. The audit disclosed an audit finding required to be reported under Section 510(a) of Circular A-133.
7. The major program was:

U. S. Department of Agriculture - Rural Development
8. The dollar threshold used to distinguish between Type A and Type B programs, as described in Section 520(b) of Circular A-133 was \$300,000.
9. The auditee did not qualify as a low-risk auditee under Section 530 of Circular A-133.

TOWN OF BROUSSARD, LOUISIANA

Schedule of Findings and
Management's Corrective Action Plan (continued)
Year Ended June 30, 1999

Part II: Findings Which are Required to be Reported in Accordance with Generally Accepted Government Auditing Standards:

Item 99-1 - Inadequate Segregation of Accounting Functions

Finding:

Due to the small number of employees, the Town did not have adequate segregation of functions within the accounting system.

Management's Corrective Action Plan:

Management has determined that it is not cost effective to achieve complete segregation of duties within the accounting department. No plan is considered necessary.

Item 99-2 - Audit Completion Date

Finding:

The Town is required by Louisiana statute to have an audit of its financial statements performed and submit same to the Louisiana Legislative Auditor within six months of the end of its fiscal year. The audit was delayed pending an exit conference with the Legislative Auditor relative to an examination being performed by his office, and the six month requirement was not complied with.

Management's Corrective Action Plan:

No plan is considered necessary.

Item 99-3 - Examination by the Louisiana Auditor

The Louisiana Legislative Auditor was performing an examination of various financial transactions and compliance issues at the time of completion the Town's audit of its financial statements. That examination may reveal material noncompliance with laws, regulations, contracts and/or grants. Therefore, the Legislative Auditor's report should be consulted by those interested in the Town's compliance with such requirements.

Part III: Findings and Questioned costs for Federal Awards Which Include Audit Findings as Defined in Section 510(a) of Circular A-133:

Item 99-4 - Inadequate Segregation of Accounting Functions

Findings:

See finding 99-1.

TOWN OF BROUSSARD, LOUISIANA

Summary of Prior Audit Findings
Year Ended June 30, 1999

The audit findings at June 30, 1998 were as follows:

Section I: Internal Control and Compliance material to the primary government financial statements.

Item 98-1 Inadequate Segregation of Accounting Functions

Finding:

Due to the small number of employees, the Town did not have adequate segregation of functions within the accounting system.

Status:

Unresolved. See 99-1