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TOWN OF BROUSSARD, LOUISIANA

Annual Financial Report

June 30, 1998

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 10/10/99

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Certified Public Accountant
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MANAGEMENT LETTER

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

During my audit of the financial statements of the Town of Broussard for the year ended June 30, 1998, I noted certain areas in which improvements in the financial practices of the Town may be desirable.

1. I recommend the following control procedures be implemented in the area of accounts payable processing:
 - invoices should be approved and the date goods were received should be determined and indicated by appropriate personnel prior to payment. Approvals should be documented (such as by initialing the invoices).
 - purchase orders should be reconciled to invoices and reviewed for completeness prior to the payment of invoices.

Corrective action plan:

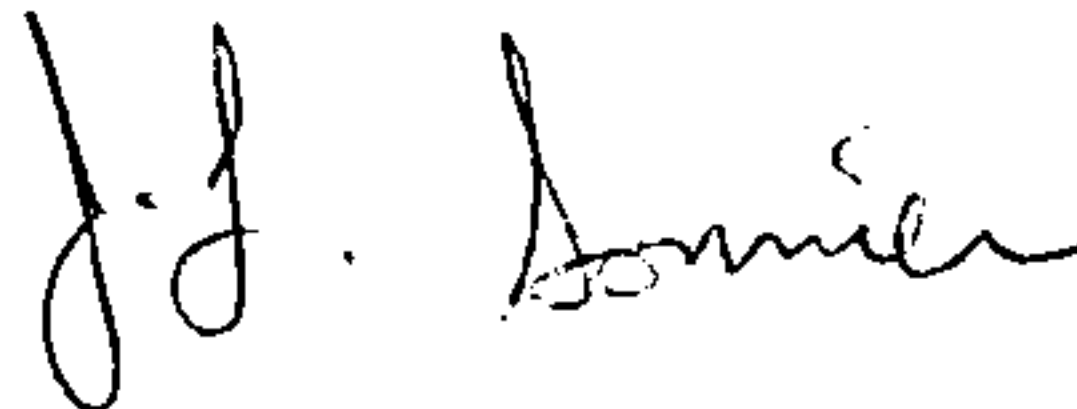
Management concurs and shall implement the above recommendations relative accounts payable processing by November 30, 1998.

2. The Town's bank deposits should be reviewed for adequacy of pledged collateral on a monthly basis. Prompt action should be taken to have the bank correct any pledging shortfalls noted.

Corrective action plan:

Management concurs and shall implement the above recommendation relative to collateralization of bank balances by November 30, 1998.

I would like to express my appreciation to you and your staff for the courtesies and assistance rendered to me in the performance of my audit. Should you have any questions or need assistance in implementing any of my recommendations, please feel free to contact me.



September 15, 1998

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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, 1998 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 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, 1998, 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 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, 1998 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 September 15, 1998, 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 accompanying financial information listed as "supplemental Information" in the table of contents 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 examination of the primary government financial statements and, in my opinion, is fairly presented in all material respects in relation to such 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.

J. J. Lomier

September 15, 1998

GENERAL PURPOSE FINANCIAL STATEMENTS
(Combined Statements-Overview)

TOWN OF BROUSSARD, LOUISIANA

COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
June 30, 1998

	GOVERNMENTAL FUND TYPES			
	General	Special Revenue	Debt Service	Capital Projects
ASSETS AND OTHER DEBITS				
Cash and interest-bearing deposits	282,535	635,462	531,135	1,263,350
Marketable securities	234,030	-	-	-
Due from other funds	-	-	-	-
Due from other governments	-	-	-	-
Receivables (net where applicable, of allowances for uncollectible):				
Taxes	-	245,674	-	-
Accounts	-	-	-	-
Other	389	-	-	-
Prepaid expenses	70,141	-	-	-
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	587,095	881,136	531,135	1,263,350

PROPRIETARY FUND TYPE	ACCOUNT GROUPS		TOTALS (MEMORANDUM ONLY)	
	General Fixed Assets	General Long-Term Debt	1998	1997
Enterprise				
214,700	-	-	2,927,182	2,014,740
-	-	-	234,030	223,082
-	-	-	-	-
-	-	-	-	-
-	-	-	245,674	194,954
82,037	-	-	82,037	66,307
-	-	-	389	353
12,581	-	-	82,722	92,280
63,410	-	-	63,410	55,520
-	153,818	-	153,818	153,818
-	732,357	-	732,357	715,674
-	8,872	-	8,872	8,872
-	1,197,101	-	1,197,101	1,069,019
8,812,562	-	-	8,812,562	7,769,642
(2,692,992)	-	-	(2,692,992)	(2,432,597)
-	-	531,135	531,135	280,909
-	-	4,153,865	4,153,865	2,114,091
6,492,298	2,092,148	4,685,000	16,532,162	12,326,664

(continued)



PROPRIETARY FUND TYPE	ACCOUNT GROUPS		TOTALS (MEMORANDUM ONLY)	
	General Fixed Assets	General Long- Term Debt	1998	1997
Enterprise				
71,889	-	-	411,975	217,683
17,396	-	-	73,912	54,707
63,410	-	-	63,410	55,520
-	-	-	180,907	143,620
-	-	4,685,000	4,685,000	2,395,000
152,695	-	4,685,000	5,415,204	2,866,530
4,273,833	-	-	4,273,833	3,573,732
-	2,092,148	-	2,092,148	1,947,383
2,065,770	-	-	2,065,770	1,921,007
-	-	-	531,135	280,909
-	-	-	862,305	821,160
-	-	-	1,291,767	915,943
-	-	-	2,685,207	2,018,012
6,339,603	2,092,148	-	11,116,958	9,460,134
6,492,298	2,092,148	4,685,000	16,532,162	12,326,664

TOWN OF BROUSSARD, LOUISIANA

COMBINED STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES
Year Ended June 30, 1998

	General Fund	Special Revenue	Debt Service	Capital Projects	Totals (Memorandum Only) 1998	Totals (Memorandum Only) 1997
Revenues:						
Taxes	172,800	2,572,578	-	-	2,745,378	2,079,196
Licenses and permits	415,430	-	-	-	415,430	354,632
Intergovernmental	274,103	-	-	-	274,103	112,601
Fines and forfeits	130,818	-	-	-	130,818	91,068
Miscellaneous	63,811	14,076	15,213	61,922	155,022	160,611
Total Revenues	1,056,962	2,586,654	15,213	61,922	3,720,751	2,798,108
Expenditures:						
Current:						
General government	383,016	23,245	-	-	406,261	395,127
Public safety:						
Police	515,534	-	-	-	515,534	392,815
Fire	47,112	-	-	-	47,112	51,565
Highways and streets	892,536	-	-	-	892,536	1,059,070
Debt service:						
Principal retirement	-	-	60,000	-	60,000	80,000
Interest and fiscal charges	-	-	191,771	-	191,771	151,203
Capital outlays	136,236	-	-	2,694,730	2,830,966	2,341,378
Total Expenditures	1,974,434	23,245	251,771	2,694,730	4,944,180	4,471,158

TOWN OF BROUSSARD, LOUISIANA

COMBINED STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES (CONTINUED)
Year Ended June 30, 1998

	General Fund	Special Revenue	Debt Service	Capital Projects	Totals (Memorandum Only) 1998	Totals (Memorandum Only) 1997
Excess (deficiency) of revenues over expenditures	(917,472)	2,563,409	(236,558)	(2,632,808)	(1,223,429)	(1,673,050)
Other financing sources (uses):						
Proceeds from bond issuance	-	-	-	2,350,000	2,350,000	-
Operating transfers in	989,236	-	486,784	523,025	1,999,045	2,242,682
Operating transfers out	-	(2,259,349)	-	(199,072)	(2,458,421)	(2,641,440)
Total other financing sources (uses)	989,236	(2,259,349)	486,784	2,673,953	1,890,624	(398,758)
Excess (deficiency) of revenues and other sources over expenditures and other uses	71,764	304,060	250,226	41,145	667,195	(2,071,808)
Fund balances, beginning	348,788	567,155	280,909	821,160	2,018,012	4,112,141
Residual equity transfers	-	-	-	-	-	(22,321)
Fund balances, ending	420,552	871,215	531,135	862,305	2,685,207	2,018,012

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, 1998**

	General Fund			Special Revenue Fund		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:						
Taxes	180,000	172,800	(7,200)	2,500,000	2,572,578	72,578
Licenses & permits	400,000	415,430	15,430	-	-	-
Intergovernmental	269,000	274,103	5,103	-	-	-
Fines & forfeits	120,000	130,818	10,818	-	-	-
Miscellaneous	60,000	63,811	3,811	12,000	14,076	2,076
Total revenues	1,029,000	1,056,962	27,962	2,512,000	2,586,654	74,654
Expenditures:						
Current:						
General government	391,000	383,016	7,984	14,500	23,245	(8,745)
Public Safety:						
Police	533,200	515,534	17,666	-	-	-
Fire	61,000	47,112	13,888	-	-	-
Highways & streets	998,500	892,536	105,964	-	-	-
Capital outlay	131,500	136,236	(4,736)	-	-	-
Total expenditures	2,115,200	1,974,434	140,766	14,500	23,245	(8,745)
Excess (deficiency) of revenues over expenditures	(1,086,200)	(917,472)	168,728	2,497,500	2,563,409	65,909

(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, 1998**

	General Fund			Special Revenue Fund		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
Other financing sources (uses):						
Operating transfers in	952,000	989,236	37,236	-	-	-
Operating transfers out	-	-	-	(2,502,500)	(2,259,349)	243,151
Total other financing sources (uses)	952,000	989,236	37,236	(2,502,500)	(2,259,349)	243,151
Excess (deficiency) of revenues & other sources over expenditures & other uses	(134,200)	71,764	205,964	(5,000)	304,060	309,060
Fund balances, beginning	348,788	348,788	-	567,155	567,155	-
Fund balances, ending	214,588	420,552	205,964	562,155	871,215	309,060

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, 1998 and 1997

	1998	1997
Operating revenues:		
Charges for services:		
Water sales	290,316	254,696
Water connections	24,309	16,600
Sewer service charges	116,560	69,698
Sewer inspection & permits	4,850	4,125
Garbage collections	179,088	149,866
Miscellaneous	21,897	18,253
Total operating revenues	637,020	513,238
Operating expenses:		
Water department	246,380	291,632
Sewerage department	287,468	160,701
Garbage department	174,931	156,098
Depreciation	260,394	220,085
Total operating expenses	969,173	828,516
Operating loss	(332,153)	(315,278)
Nonoperating revenues (expenses):		
Interest income	2,439	1,039
Total nonoperating revenues (expenses)	2,439	1,039
Loss before operating transfers	(329,714)	(314,239)
Operating transfers in	459,375	398,758
Net income (loss)	129,661	84,519
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	144,763	99,621
Retained earnings, beginning	1,921,007	1,799,065
Residual equity transfer	-	22,321
Retained earnings, ending	2,065,770	1,921,007

See Notes to Financial Statements.

TOWN OF BROUSSARD, LOUISIANA

**COMPARATIVE STATEMENT OF CASH FLOWS
 PROPRIETARY FUND TYPE
 Years Ended June 30, 1998 and 1997**

	1998	1997
Cash flows from operating activities:		
Net operating loss	(332,153)	(315,278)
Adjustments to reconcile net operating income to net cash provided by operating activities:		
Depreciation	260,394	220,085
Provisions for uncollectible accounts	193	82
Changes in assets and liabilities-		
(Increase) decrease in accounts receivable	(15,923)	(2,619)
(Increase) decrease in prepaid expenses	(1,345)	1,678
Increase (decrease) in accounts payable	3,548	(14,427)
Increase (decrease) in meter deposits	7,890	4,785
Increase (decrease) in accrued liabilities	3,479	(1,468)
Total adjustments	258,236	208,116
Net cash used by operating activities	(73,917)	(107,162)
Cash flows from noncapital financing activities:		
Residual equity transfer	-	22,321
Operating transfers in from other funds	459,375	398,758
Net cash provided by noncapital financing activities	459,375	421,079
Cash flows from capital and related financing activities:		
Capital contributed from developers	15,000	-
Acquisition and construction of property, plant and equipment	(342,717)	(190,973)
Net cash used by capital and related financing activities	(327,717)	(190,973)

(continued)

TOWN OF BROUSSARD, LOUISIANA

**COMPARATIVE STATEMENT OF CASH FLOWS
PROPRIETARY FUND TYPE (CONTINUED)
Years Ended June 30, 1998 and 1997**

	1998	1997
Cash flows from investing activities:		
Interest received on interest-bearing deposits	2,439	1,039
Net cash provided by investing activities	2,439	1,039
Net increase (decrease) in cash and cash equivalents	60,180	123,983
Cash and cash equivalents, beginning of period	217,930	93,947
Cash and cash equivalents, end of period	278,110	217,930
Reconciliation of cash and cash equivalents per statement of cash flows to the balance sheet:		
Cash and cash equivalents-beginning of period		
Cash-unrestricted	162,410	43,212
Cash-restricted	55,520	50,735
Total cash and cash equivalents, beginning	217,930	93,947
Cash and cash equivalents-end of period		
Cash-unrestricted	214,700	162,410
Cash-restricted	63,410	55,520
Total cash and cash equivalents, ending	278,110	217,930
Net increase (decrease) in cash and cash equivalents	60,180	123,983
Noncash investing, capital and financing activities:		
Property, plant and equipment contributed by other funds	700,203	1,030,831

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. the Town 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. 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, 1998, was 14,133.

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, 1998, totaled 62,934.

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, 1998, 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, 1998, the Town had cash deposits (book balances) totaling 2,990,592.

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, 1998, bank balances of deposits totaling 2,946,373 were secured or collateralized with securities held in the name of the pledging banks, and 60,021 of deposit balances were uninsured and uncollateralized.

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.

As of June 30, 1998 marketable securities consist of 17,947 shares of Putnam U.S. Government Income Trust. The shares are registered securities on deposit with Putnam in the name of the Town and are reported in the financial statements net of a valuation allowance of 15,970.

4. Restricted Assets-Proprietary Fund Type

Restricted assets were related to the customers' deposits liability of 63,410 at June 30, 1998.

5. Changes in General Fixed Assets

A summary of changes in general fixed assets follows:

	Balance July 30, 1997	Additions	Deletions	Balance June 30, 1998
Land	153,818	-	-	153,818
Building	715,674	16,683	-	732,357
Improvement other than buildings	8,872	-	-	8,872
Equipment	<u>1,069,019</u>	<u>130,465</u>	<u>2,383</u>	<u>1,197,101</u>
Total General Fixed Assets	<u>1,947,383</u>	<u>147,148</u>	<u>2,383</u>	<u>2,092,148</u>

A summary of proprietary-fund-type property, plant and equipment at June 30, 1998, follows:

Land	71,760
Buildings	64,451
Waterworks system and improvements	5,791,258
Sewer system and improvements	2,586,812
Construction work in progress	144,958
Equipment	<u>153,323</u>
Total	8,812,562
Less: Accumulated depreciation	<u>(2,692,992)</u>
Net utility fund property, plant & equipment	<u>6,119,570</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, 1998:

Bonds payable, July 1, 1997	2,395,000
Bonds retired	(60,000)
Bonds issued	<u>2,350,000</u>
Bonds payable June 30, 1998	<u>4,685,000</u>

Bond obligations payable at June 30, 1998, 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.	2,335,000
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.	2,300,000
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 (50,000 issued at June 30, 1998).	<u>50,000</u>
	<u>4,685,000</u>

The annual requirements to amortize all debt outstanding as of June 30, 1998, including interest payments of 2,985,724 are as follows:

Year Ended June 30,

1999	387,236
2000	392,350
2001	398,551
2002	398,670
2003	398,106
2004 - 2008	2,030,902
2009 - 2013	2,118,118
2014 - 2018	1,529,608
2019 - 2023	<u>17,183</u>
	<u>7,670,724</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 and 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, 1998 the Town's total contributions were 29,619.

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, 1998 was 101,986.

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, 1998, was 64,944.

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, 1998, was as follows:

	Water Department	Sewerage Department	Garbage Department	Total Enterprise Fund
Operating Revenues	324,068	125,113	187,839	637,020
Operating Expenses:				
Depreciation	(180,727)	(79,667)	-	(260,394)
Other	(246,380)	(287,468)	(174,931)	(708,779)
Operating Profit (loss)	<u>(103,039)</u>	<u>(242,022)</u>	<u>12,908</u>	<u>(332,153)</u>

At June 30, 1998 the Town was furnishing utility services to 1,603 water (metered) customers, 1,416 sewerage customers and 1,521 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 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	15,000	115,354	820,145	3,520,194	4,470,693
Less accumulated amortization	<u>-</u>	<u>34,333</u>	<u>162,527</u>	<u>-</u>	<u>196,860</u>
Net contributed capital	<u>15,000</u>	<u>81,021</u>	<u>657,618</u>	<u>3,520,194</u>	<u>4,273,833</u>

During the years ended June 30, 1998 and 1997, the capital projects fund contributed capital to the utility fund of 700,203 and 1,030,831 respectively.

11. Compensation of Mayor and Aldermen

The Mayor and Aldermen were paid 35,608 and 16,225, respectively, during the fiscal year ended June 30, 1998.

12. Litigation and Claims

At June 30, 1998, 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.

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, 1998.

14. On-Behalf Payments of Salaries

The State of Louisiana paid the Town's policemen 30,530 of supplemental pay during the year ended June 30, 1998. That amount is included in the accompanying financial statements as intergovernmental revenues and police salaries in the general fund.

15. 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.

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.

16. Construction Contract

At June 30, 1998 the Town had entered a road construction contract in the amount of 2,688,818. The outstanding construction commitment at year end was 1,520,735. It is anticipated that the construction shall be completed by mid December 1998. The remaining construction commitment is expected to be paid from 995,000 of 1998 sales tax bond proceeds and the Capital Projects Fund's fund balance.

**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, 1998 and 1997

	1998	1997
ASSETS		
Cash and interest bearing deposits	282,535	233,569
Marketable securities	234,030	223,082
Due from other governments	-	-
Receivables:		
Dividends	389	353
Prepaid insurance	70,141	81,044
Total Assets	587,095	538,048
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable	110,027	148,471
Accrued liabilities	56,516	40,789
Total liabilities	166,543	189,260
Fund balance-unreserved, undesignated	420,552	348,788
Total liabilities and fund balance	587,095	538,048

TOWN OF BROUSSARD, LOUISIANA

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
Year Ended June 30, 1998
With Comparative Actual Amounts for Year Ended June 30, 1997

	1998			1997
	Budget	Actual	Variance-Favorable (Unfavorable)	Actual
Revenues:				
Taxes	180,000	172,800	(7,200)	170,035
Licenses & permits	400,000	415,430	15,430	354,632
Intergovernmental	269,000	274,103	5,103	112,601
Fines & forfeits	120,000	130,818	10,818	91,068
Miscellaneous	60,000	63,811	3,811	55,990
Total revenues	1,029,000	1,056,962	27,962	784,326
Expenditures-current:				
General government	391,000	383,016	7,984	378,395
Public safety-Police	533,200	515,534	17,666	392,815
Public safety-Fire	61,000	47,112	13,888	51,565
Highways & streets	998,500	892,536	105,964	1,059,070
Expenditures-capital outlay	131,500	136,236	(4,736)	629,759
Total expenditures	2,115,200	1,974,434	140,766	2,511,604
Excess (deficiency) revenues over expenditures	(1,086,200)	(917,472)	168,728	(1,727,278)
Other financing sources				
Operating transfers in	952,000	989,236	37,236	1,769,937
Operating transfers out	-	-	-	-
Total other financing sources (uses)	952,000	989,236	37,236	1,769,937
Excess (deficiency) of revenues & other sources over expenditures & other uses	(134,200)	71,764	205,964	42,659
Fund balance-beginning	348,788	348,788	-	306,129
Fund balance-ending	214,588	420,552	205,964	348,788

**TOWN OF BROUSSARD, LOUISIANA
GENERAL FUND**

STATEMENT OF REVENUES COMPARED TO BUDGET (GAAP BASIS)

Year Ended June 30, 1998

With Comparative Actual Amounts for Year Ended June 30, 1997

	1998			1997
	Budget	Actual	Variance-Favorable (Unfavorable)	Actual
Taxes - Franchise	180,000	172,800	(7,200)	170,035
Licenses & permits:				
Occupational licenses	250,000	245,000	(5,000)	227,961
Insurance occupational licenses	90,000	102,137	12,137	83,037
Permits	60,000	68,293	8,293	43,634
	400,000	415,430	15,430	354,632
Intergovernmental:				
LEDA grant	-	-	-	25,000
State of Louisiana:				
On-behalf payment	32,000	30,530	(1,470)	-
Highway maintenance	13,000	13,412	412	11,700
Video poker	170,000	186,430	16,430	51,913
Tobacco tax	16,000	16,320	320	16,320
Other	32,000	20,626	(11,374)	1,568
Beer tax	6,000	6,785	785	6,100
	269,000	274,103	5,103	112,601
Fines & forfeits:				
Fines collected	120,000	130,818	10,818	91,068
Miscellaneous:				
Interest & dividend income	15,000	13,901	(1,099)	13,863
Net increase in the fair value of investments	-	10,948	10,948	-
Other sources	45,000	38,962	(6,038)	42,127
	60,000	63,811	3,811	55,990
Total revenues	1,029,000	1,056,962	27,962	784,326

**TOWN OF BROUSSARD, LOUISIANA
GENERAL FUND**

STATEMENT OF EXPENDITURES COMPARED TO BUDGET (GAAP BASIS)

Year Ended June 30, 1998

with Comparative Actual Amounts for Year Ended June 30, 1997

	1998			1997
	Budget	Actual	Variance-Favorable (Unfavorable)	Actual
Current:				
General government-				
Salaries	108,000	111,271	(3,271)	77,139
Payroll taxes	11,000	9,665	1,335	7,852
Group insurance	10,400	7,729	2,671	6,195
Retirement expense	3,800	3,828	(28)	6,522
Insurance expense	18,000	13,126	4,874	16,822
Office expense	22,000	21,583	417	25,498
Utilities	6,600	5,595	1,005	6,201
Telephone	9,000	8,298	702	10,163
Advertising	15,000	12,739	2,261	9,546
Dues	1,200	30	1,170	813
Supplies	3,000	3,088	(88)	8,517
Professional fees	103,000	106,574	(3,574)	106,271
Miscellaneous	31,000	29,409	1,591	59,185
Travel expense	6,000	5,624	376	6,248
Magistrate court expense	30,000	30,359	(359)	15,994
Repairs and maintenance	13,000	14,098	(1,098)	15,429
Total general government	391,000	383,016	7,984	378,395
Public Safety-				
Police department:				
Salaries	224,500	225,288	(788)	191,144
On-behalf payments - Salaries	32,000	30,530	1,470	-
Payroll taxes	25,000	17,658	7,342	15,458
Retirement	7,200	7,424	(224)	3,045

(continued)

TOWN OF BROUSSARD, LOUISIANA

GENERAL FUND
 STATEMENT OF EXPENDITURES COMPARED TO BUDGET
 (GAAP BASIS) (CONTINUED)
 Year Ended June 30, 1998

With Comparative Actual Amounts for Year Ended June 30, 1997

	1998			1997
	Budget	Actual	Variance-Favorable (Unfavorable)	Actual
Police department (continued):				
Insurance	70,000	56,504	13,496	49,322
Group insurance	40,000	35,265	4,735	28,379
Auto expense	53,000	52,660	340	48,312
Uniforms and supplies	33,000	40,118	(7,118)	25,047
Miscellaneous	19,000	21,243	(2,243)	9,697
Repair and maintenance	5,000	8,594	(3,594)	5,134
Utilities and communication	24,500	20,250	4,250	17,277
Total police department	533,200	515,534	17,666	392,815
Fire department:				
Truck expense	15,000	14,114	886	9,047
Insurance	25,000	14,933	10,067	12,260
Utilities and telephone	12,000	11,131	869	9,780
Repairs and maintenance	5,000	2,346	2,654	10,317
Supplies	3,000	2,843	157	9,384
Miscellaneous	1,000	1,745	(745)	777
Total fire department	61,000	47,112	13,888	51,565
Total public safety	594,200	562,646	31,554	444,380
Highways and streets-				
Salaries	315,000	284,469	30,531	325,229
Payroll taxes	31,500	29,359	2,141	27,612
Retirement expense	14,000	12,230	1,770	4,951

(continued)

TOWN OF BROUSSARD, LOUISIANA

GENERAL FUND
 STATEMENT OF EXPENDITURES COMPARED TO BUDGET
 (GAAP BASIS) (CONTINUED)
 Year Ended June 30, 1998

With Comparative Actual Amounts for Year Ended June 30, 1997

	1998			1997
	Budget	Actual	Variance-Favorable (Unfavorable)	Actual
Highways and streets (continued)-				
Group insurance	58,000	47,696	10,304	34,501
Insurance expense	45,000	103,933	(58,933)	60,162
Equipment expense	140,000	120,232	19,768	117,883
Street maintenance	275,000	162,573	112,427	390,120
Engineering fees	25,000	27,029	(2,029)	28,479
Utilities and telephone	44,000	48,218	(4,218)	40,247
Supplies and uniforms	45,000	48,942	(3,942)	23,868
LCDBG street overlay	-	-	-	-
Miscellaneous	6,000	7,855	(1,855)	6,018
Total highways and streets	998,500	892,536	105,964	1,059,070
Capital outlay:				
Land & buildings	12,000	16,684	(4,684)	506,547
Equipment	119,500	119,552	(52)	123,212
Total Capital outlay	131,500	136,236	(4,736)	629,759
Total expenditures	2,115,200	1,974,434	140,766	2,511,604

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, 1998 and 1997

	1998	1997
ASSETS		
Cash and interest bearing deposits	635,462	373,072
Sales tax receivable	245,674	194,954
Total assets	881,136	568,026
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable	9,921	871
Fund balance-unreserved, undesignated	871,215	567,155
Total liabilities and fund balance	881,136	568,026

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, 1998

With Comparative Actual Amounts for Year Ended June 30, 1997

	1998			1997
	Budget	Actual	Variance-Favorable (Unfavorable)	Actual
Revenues:				
Taxes-sales taxes	2,500,000	2,572,578	72,578	1,909,161
Miscellaneous	12,000	14,076	2,076	20,003
Total revenues	2,512,000	2,586,654	74,654	1,929,164
Expenditures-Current:				
General government	14,500	23,245	(8,745)	16,732
Total expenditures	14,500	23,245	(8,745)	16,732
Excess of revenues over expenditures	2,497,500	2,563,409	65,909	1,912,432
Other financing sources (uses):				
Operating transfers out	(2,502,500)	(2,259,349)	243,151	(2,641,440)
Excess (deficiency) of revenues over expenditures and other uses	(5,000)	304,060	309,060	(729,008)
Fund balance-beginning	567,155	567,155	-	1,296,163
Fund balance-ending	562,155	871,215	309,060	567,155

TOWN OF BROUSSARD, LOUISIANA

SPECIAL REVENUE FUND--SALES TAX FUND
 STATEMENT OF EXPENDITURES COMPARED TO BUDGET (GAAP BASIS)
 Year Ended June 30, 1998

With Comparative Actual Amounts for Year Ended June 30, 1997

	1998			1997
	Budget	Actual	Variance-Favorable (Unfavorable)	Actual
General government:				
Collection fees	11,000	20,403	9,403	9,829
Legal and accounting	3,500	2,842	(658)	6,903
Total general government	14,500	23,245	8,745	16,732
Total expenditures	14,500	23,245	8,745	16,732

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, 1998

With Comparative June 30, 1997 Totals

	Sales Tax Bond 1998	Sales Tax Bond 1997	Sales Tax Bond 1996	Totals	
				1998	1997
ASSETS					
Cash	-	34,747	36,310	71,057	35,571
Interest-bearing deposits	3,966	202,681	253,431	460,078	245,338
Total assets	3,966	237,428	289,741	531,135	280,909
LIABILITIES AND FUND BALANCES					
Liabilities:					
Total liabilities	-	-	-	-	-
Fund balances:					
Reserved for debt service	3,966	237,428	289,741	531,135	280,909
Unreserved, undesignated	-	-	-	-	-
Total fund balances	3,966	237,428	289,741	531,135	280,909
Total liabilities & fund balances	3,966	237,428	289,741	531,135	280,909

TOWN OF BROUSSARD, LOUISIANA

DEBT SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
Year Ended June 30, 1998
With Comparative Totals for Year Ended June 30, 1997

	Sales Tax Bond 1998	Sales Tax Bond 1997	Sales Tax Bond 1996	Total	
				1998	1997
Revenues:					
Miscellaneous -					
Interest on savings	28	4,424	10,761	15,213	5,418
Total revenues	28	4,424	10,761	15,213	5,418
Expenditures:					
Debt Service -					
Principal retirement	-	-	60,000	60,000	80,000
Interest	-	45,907	144,535	190,442	149,722
Paying agent fees	-	200	1,129	1,329	1,481
Total debt service	-	46,107	205,664	251,771	231,203
Total expenditures	-	46,107	205,664	251,771	231,203
Excess (deficiency) of revenues over expenditures	28	(41,683)	(194,903)	(236,558)	(225,785)
Other financing sources:					
Operating transfers in	3,938	279,111	203,735	486,784	204,035
Excess (deficiency) of revenues and other sources over expenditures	3,966	237,428	8,832	250,226	(21,750)
Fund balances, beginning of year	-	-	280,909	280,909	324,980
Less: Residual equity transfer	-	-	-	-	(22,321)
Fund balances, end of year	3,966	237,428	289,741	531,135	280,909

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, 1998 and 1997

	1998	1997
ASSETS		
Cash	1,263,350	964,780
Total assets	1,263,350	964,780
LIABILITIES AND FUND BALANCES		
Liabilities:		
Accounts payable	220,138	-
Retainage payable	180,907	143,620
Fund balances:		
Designated for capital improvements	862,305	821,160
Total liabilities and fund balances	1,263,350	964,780

TOWN OF BROUSSARD, LOUISIANA

CAPITAL PROJECTS FUND
 STATEMENT OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCE
 Years Ended June 30, 1998 and 1997

	1998	1997
Revenues:		
Miscellaneous -		
Interest on investments	61,922	79,200
Total revenues	61,922	79,200
Expenditures:		
Capital outlays		
Waterline 1996 Bond Program	7,397	213,689
Street Overlay	109	467,038
Water Main Hwy 90/92	-	752,700
Elevated Water Tank/Well/Lines	548,760	64,443
Hwy 182 Sewer	144,959	-
La Neuville Project	1,993,505	213,749
Total capital outlays	2,694,730	1,711,619
Total expenditures	2,694,730	1,711,619
Deficiency of revenues over expenditures	(2,632,808)	(1,632,419)
Other financing sources (uses):		
Proceeds from bond issuance	2,350,000	-
Operating transfers in	523,025	268,710
Operating transfers out	(199,072)	-
Total other financing sources (uses)	2,673,953	268,710
Excess of revenues & other sources over expenditures	41,145	(1,363,709)
Fund balance, beginning of year	821,160	2,184,869
Fund balance, end of year	862,305	821,160

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, 1998 and 1997

ASSETS	1998	1997
Current assets:		
Cash	214,700	162,410
Receivables:		
Accounts, net of allowance for uncollectible (1998: \$14,133; 1997: \$13,940)	82,037	66,307
Prepaid insurance	12,581	11,236
Total current assets	309,318	239,953
Restricted assets:		
Customers' deposits-		
Cash	63,410	55,520
Total restricted assets	63,410	55,520
Property, plant & equipment, at cost, net of accumulated depreciation (1998: \$2,692,992; 1997: \$2,432,597)	6,119,570	5,337,045
Total assets	6,492,298	5,632,518

LIABILITIES AND FUND EQUITY	1998	1997
Liabilities:		
Current liabilities (payable from current assets):		
Accounts payable	71,889	68,341
Sales and payroll taxes payable	990	1,068
Compensated absences payable	15,266	12,292
Accrued payroll	1,140	558
Total current liabilities (payable from current assets)	89,285	82,259
Current liabilities (payable form restricted assets):		
Customers' deposits	63,410	55,520
Total liabilities	152,695	137,779
Fund equity:		
Contributed capital-		
Municipality	3,520,194	2,819,991
Federal grants, net of accumulated amortization (1998: \$162,527; 1997: \$150,025)	657,618	670,120
State grants, net of accumulated amortization (1998: \$34,333; 1997 \$31,733)	81,021	83,621
Private developers	15,000	-
Total contributed capital	4,273,833	3,573,732
Retained earnings-unreserved	2,065,770	1,921,007
Total fund equity	6,339,603	5,494,739
Total liabilities and fund equity	6,492,298	5,632,518

TOWN OF BROUSSARD, LOUISIANA

ENTERPRISE FUND

UTILITY FUND

COMPARATIVE STATEMENT OF REVENUES, EXPENSES AND

CHANGES IN RETAINED EARNINGS

Years Ended June 30, 1998 and 1997

	1998	1997
Operating revenues:		
Charges for services:		
Water sales	290,316	254,696
Water connections	24,309	16,600
Sewer service charges	116,560	69,698
Sewer inspection & permits	4,850	4,125
Garbage revenue	179,088	149,866
Miscellaneous	21,897	18,253
Total operating revenues	637,020	513,238
Operating expenses:		
Water department	427,107	437,567
Sewerage department	367,135	234,851
Garbage department	174,931	156,098
Total operating expenses	969,173	828,516
Operating loss	(332,153)	(315,278)
Nonoperating revenues (expenses):		
Interest income	2,439	1,039
Loss before operating transfers	(329,714)	(314,239)
Operating transfers in	459,375	398,758
Net income (loss)	129,661	84,519

(continued)

TOWN OF BROUSSARD, LOUISIANA

ENTERPRISE FUND

UTILITY FUND

COMPARATIVE STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN RETAINED EARNINGS (CONTINUED)
Years Ended June 30, 1998 and 1997

	1998	1997
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	144,763	99,621
Retained earnings, beginning	1,921,007	1,799,065
Residual equity transfer	-	22,321
Retained earnings, ending	2,065,770	1,921,007

TOWN OF BROUSSARD, LOUISIANA

ENTERPRISE FUND

UTILITY FUND

COMPARATIVE STATEMENT OF OPERATING EXPENSES BY DEPARTMENT

Years Ended June 30, 1998 and 1997

	1998	1997
Water department:		
Salaries	46,407	79,065
Payroll taxes and retirement	5,296	7,690
Bad debt	1,790	81
Group insurance	6,926	5,835
Professional fees	6,744	5,936
Engineering fees	3,030	4,354
Repairs and maintenance	59,988	59,111
Truck expenses	4,774	4,399
Utilities	25,063	22,106
Material and supplies	16,934	42,439
Depreciation	180,727	145,935
Insurance	22,925	22,146
Office expense	5,595	6,749
Water lease	38,036	27,112
Miscellaneous	2,872	4,609
Total water department	427,107	437,567
Sewerage department:		
Salaries	68,765	29,988
Payroll taxes and retirement	7,963	2,885
Bad debts	37	11
Group insurance	8,199	5,354
Professional fees	7,623	5,936
Engineering fees	56,143	15,055
Repairs and maintenance	74,771	38,625

(continued)

TOWN OF BROUSSARD, LOUISIANA

ENTERPRISE FUND
UTILITY FUND

COMPARATIVE STATEMENT OF OPERATING EXPENSES BY DEPARTMENT (CONTINUED)
Years Ended June 30, 1998 and 1997

	1998	1997
Sewerage department (continued):		
Utilities	38,029	45,907
Materials and supplies	10,505	2,772
Depreciation	79,667	74,150
Insurance	8,889	8,395
Office expense	1,365	997
Truck expense	3,066	2,472
Miscellaneous	2,113	2,304
Total sewerage department	367,135	234,851
Garbage department:		
Bad debts	66	25
Supplies	649	-
Garbage collection expense	174,216	154,807
Office expense	-	1,266
Miscellaneous	-	
Total garbage department	174,931	156,098
Total operating expenses	969,173	828,516

TOWN OF BROUSSARD, LOUISIANA

ENTERPRISE FUND
UTILITY FUND
COMPARATIVE STATEMENT OF CASH FLOWS
Years Ended June 30, 1998 and 1997

	1998	1997
Cash flows from operating activities:		
Net operating loss	(332,153)	(315,278)
Adjustments to reconcile net operating income to net cash provided by operating activities:		
Depreciation	260,394	220,085
Provisions for uncollectible accounts	193	82
Changes in assets and liabilities-		
(Increase) decrease in accounts receivable	(15,923)	(2,619)
(Increase) decrease in prepaid expenses	(1,345)	1,678
Increase (decrease) in accounts payable	3,549	(14,427)
Increase (decrease) in meter deposits	7,890	4,785
Increase (decrease) in accrued liabilities	3,478	(1,468)
Total adjustments	258,236	208,116
Net cash used by operating activities	(73,917)	(107,162)
Cash flows from noncapital financing activities:		
Residual equity transfer	-	22,321
Operating transfers in from other funds	459,375	398,758
Net cash provided by noncapital financing activities	459,375	421,079
Cash flows from capital and related financing activities:		
Capital contributed from developers	15,000	-
Acquisition and construction of property, plant and equipment	(342,717)	(190,973)
Net cash used by capital and related financing activities	(327,717)	(190,973)

(continued)

TOWN OF BROUSSARD, LOUISIANA

ENTERPRISE FUND
UTILITY FUND

COMPARATIVE STATEMENT OF CASH FLOWS (CONTINUED)
Years Ended June 30, 1998 and 1997

	1998	1997
Cash flows from investing activities:		
Interest received on interest-bearing deposits	2,439	1,039
Net cash provided by investing activities	2,439	1,039
Net increase (decrease) in cash and cash equivalents	60,180	123,983
Cash and cash equivalents, beginning of period	217,930	93,947
Cash and cash equivalents, end of period	278,110	217,930
Reconciliation of cash and cash equivalents per statement of cash flows to the balance sheet:		
Cash and cash equivalents-beginning of period-		
Cash-unrestricted	162,410	43,212
Cash-restricted	55,520	50,735
Total cash and cash equivalents, beginning	217,930	93,947
Cash and cash equivalents-end of period-		
Cash-unrestricted	214,700	162,410
Cash-restricted	63,410	55,520
Total cash and cash equivalents, ending	278,110	217,930
Net increase (decrease) in cash and cash equivalents	60,180	123,983
Noncash investing, capital and financing activities:		
Property plant and equipment contributed by other funds	700,203	1,030,831

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, 1998 and 1997

	1998	1997
General fixed assets, at cost:		
Land	153,818	153,818
Buildings	732,357	715,674
Improvements other than buildings	8,872	8,872
Equipment	1,197,101	1,069,019
Total general fixed assets	2,092,148	1,947,383
Investment in general fixed assets:		
Property acquired from-		
General fund revenue	1,568,130	1,434,279
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	246,253	235,339
Total investment in general fixed assets	2,092,148	1,947,383

TOWN OF BROUSSARD, LOUISIANA

STATEMENT OF CHANGES IN GENERAL FIXED ASSETS
Year Ended June 30, 1998

	Land	Buildings	Improvements Other Than Buildings	Equipment	Total
General fixed assets, beginning of year	153,818	715,674	8,872	1,069,019	1,947,383
Additions:					
General fund revenue	-	16,683	-	119,550	136,233
Sales tax revenue	-	-	-	-	-
Broussard Fire Dept.	-	-	-	10,915	10,915
Total additions	-	16,683	-	130,465	147,148
Total balances and additions	153,818	732,357	8,872	1,199,484	2,094,531
Deductions:					
Total deductions	-	-	-	2,383	2,383
General fixed assets, end of year	153,818	732,357	8,872	1,197,101	2,092,148

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, 1998
With Comparative Totals for June 30, 1997

	Sales Tax	Sales Tax	Sales Tax	Totals	
	Bond 1998	Bond 1997	Bond 1996	1998	1997
AMOUNT AVAILABLE & TO BE PROVIDED FOR THE RETIREMENT OF GENERAL LONG-TERM DEBT					
Amount available in debt service funds for debt retirement	3,966	237,428	289,741	531,135	280,909
Amount to be provided from:					
Sales taxes	46,034	2,062,572	2,045,259	4,153,865	2,114,091
Total available & to be provided	50,000	2,300,000	2,335,000	4,685,000	2,395,000
GENERAL LONG-TERM DEBT PAYABLE					
Bonds Payable:					
Due within one year	1,862	70,000	60,000	131,862	60,000
Due after one year	48,138	2,230,000	2,275,000	4,553,138	2,335,000
Total bonds payable	50,000	2,300,000	2,335,000	4,685,000	2,395,000

INTERNAL CONTROL AND COMPLIANCE

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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, 1998, and have issued my report thereon dated September 15, 1998. 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, 1998 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 no instances of noncompliance that are required to be reported under *Government Auditing Standards*. I noted certain immaterial instances of noncompliance that I have reported to management of the Town of Broussard, Louisiana, by separate letter dated September 15, 1998.

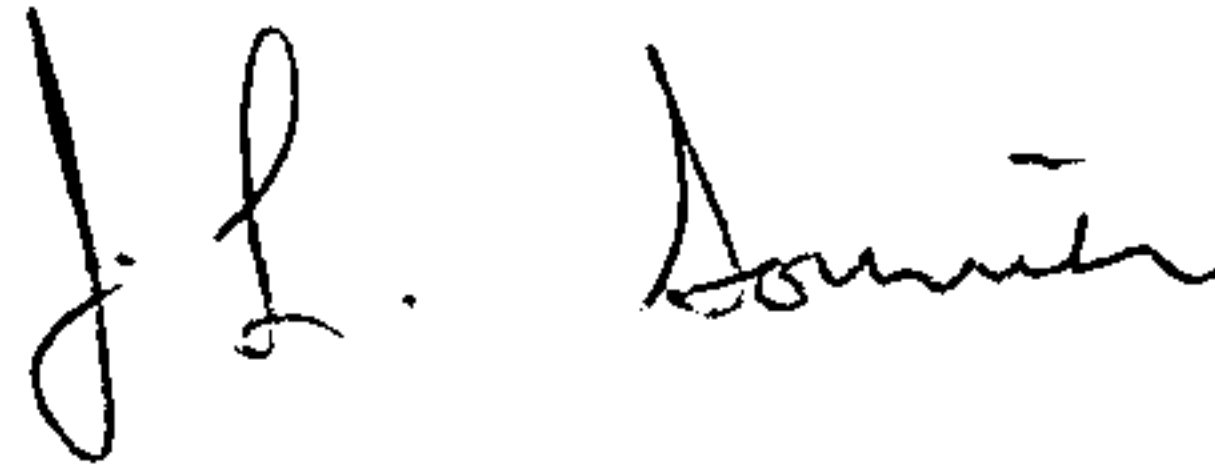
Internal control Over Financial Reporting

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

attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in my judgment, could adversely affect the Town of Broussard, Louisiana's ability to record, process, summarize and report financial data consistent with the assertions of management in the primary government financial statements. Reportable conditions are described in the accompanying schedule of findings and questioned costs as item 98-1.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the primary government financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, I believe none of the reportable conditions described above is a material weakness. I also noted other matters involving the internal control over financial reporting that I have reported to management of the Town of Broussard, Louisiana, in a separate letter dated September 15, 1998.

This report is intended for the information of the management and the Legislative Auditor. However, this report is a matter of public record and its distribution is not limited.

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

September 15, 1998

TOWN OF BROUSSARD, LOUISIANA

Schedule of Prior and Current Audit Findings and
Management's Corrective Action Plan
Year Ended June 30, 1998

I. Prior Year Findings

Compliance

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

Internal Control Over Financial Reporting

Item 97-1 - Inadequate Segregation of Accounting Functions

Finding:

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

Status:

Unresolved. See item 98-1

II. Current Year Findings and Management's Corrective Action Plan

Internal Control Over Financial Reporting

Item 98-1 - Inadequate Segregation of Accounting Functions

Finding:

Due to the small number of employees, the City 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.