

TOWN OF BRUSLY, LOUISIANA
GENERAL PURPOSE FINANCIAL STATEMENTS
YEAR ENDED 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.

NOV 24 1999

Release Date _____

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INDEPENDENT AUDITOR'S REPORT

September 23, 1999

To the Honorable Mayor and Members
of the Board of Aldermen
Town of Brusly, Louisiana

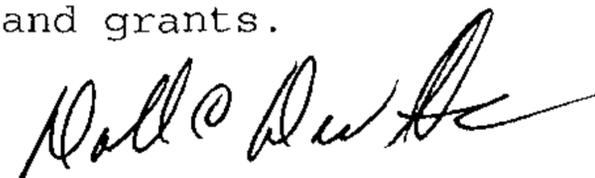
I have audited the accompanying general purpose financial statements of the Town of Brusly, Louisiana, as of June 30, 1999, and for the year then ended. These general purpose financial statements are the responsibility of the Town of Brusly, Louisiana's management. My responsibility is to express an opinion of these general purpose financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards and the standards for financial audits contained in the Government Auditing Standards issued by the United States General Accounting Office. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose 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 provided a reasonable basis for my opinion.

In my opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Town of Brusly, Louisiana, as of June 30, 1999, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

My audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the Town of Brusly, Louisiana. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in my opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

In accordance with Government Auditing Standards, I have also issued a report dated September 23, 1999, on our consideration of Town of Brusly's internal control over financial reporting and our tests of its compliance with laws, regulations, contracts and grants.



GENERAL PURPOSE FINANCIAL STATEMENTS
(COMBINED STATEMENTS - OVERVIEW)

TOWN OF BRUSLY, LOUISIANA
COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
June 30, 1999

(With Comparative Data as of June 30, 1998)

	GOVERNMENTAL		PROPRIETARY		ACCOUNT GROUPS		TOTALS	
	FUND TYPE	FUND TYPE	GENERAL	ENTERPRISE	FIXED ASSETS	GENERAL LONG-TERM DEBT	(MEMORANDUM ONLY)	
	GENERAL	ENTERPRISE					1999	1998
ASSETS								
Cash	\$383,616	\$104,933	-0-	-0-	-0-	-0-	\$488,549	\$255,352
Cash - Restricted	-0-	78,946	-0-	-0-	-0-	-0-	78,946	70,274
Investments	1,177,128	-0-	-0-	-0-	-0-	-0-	1,177,128	1,123,115
Taxes Receivable	79,190	-0-	-0-	-0-	-0-	-0-	79,190	78,686
Accounts Receivable	893	10,754	-0-	-0-	-0-	-0-	11,647	15,105
Due From Other Govt	13,709	-0-	-0-	-0-	-0-	-0-	13,709	2,257
Due From Other Funds	316,438	-0-	-0-	-0-	-0-	-0-	316,438	254,730
Fixed Assets	-0-	2,771,447	\$838,046	-0-	-0-	-0-	3 609,493	3,630,061
Amount to be Provided	-0-	-0-	-0-	-0-	\$5,340	-0-	5,340	5,161
TOTAL ASSETS	1,970,974	2,966,080	838,046		5,340		5,780,440	5,434,741
LIABILITIES AND FUND EQUITY								
LIABILITIES:								
Bond and Note Payable	-0-	\$705,382	-0-	-0-	-0-	-0-	\$705,382	\$716,865
Accounts Payable	\$28,378	300	-0-	-0-	-0-	-0-	28,678	11,033
Employee Withholdings	7,869	-0-	-0-	-0-	-0-	-0-	7,869	5,987
Accrued Wages	5,740	224	-0-	-0-	-0-	-0-	5,964	3,560
Due To Other Funds	-0-	316,438	-0-	-0-	-0-	-0-	316,438	254,730
Deferred Revenue	8,032	-0-	-0-	-0-	-0-	-0-	8,032	10,035
Compensated Absences	-0-	-0-	-0-	-0-	\$5,340	-0-	5,340	5,161
TOTAL LIABILITIES	50,019	1,022,344	-0-		5,340		1,077,703	1,007,371
FUND EQUITY:								
Contributed Capital	-0-	2,946,522	-0-	-0-	-0-	-0-	2,946,522	2,946,522
Investment In General								
Fixed Assets	-0-	-0-	\$838,046	-0-	-0-	-0-	838,046	754,420
Retained Earnings								
Reserved	-0-	78,946	-0-	-0-	-0-	-0-	78,946	70,274
Unreserved (Deficit)	-0-	(1,081,732)	-0-	-0-	-0-	-0-	(1,081,732)	(1,001,015)
Fund Balance:								
Unreserved -								
Undesignated	1,920,955	-0-	-0-	-0-	-0-	-0-	1,920,955	1,657,169
TOTAL FUND EQUITY	1,920,955	1,943,736	838,046		-0-		4,702,737	4,427,370
TOTAL LIABILITIES AND FUND EQUITY	1,970,974	2,966,080	838,046		5,340		5,780,440	5,434,741

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THIS STATEMENT.

TOWN OF BRUSLY, LOUISIANA
COMBINED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES-GOVERNMENTAL FUND TYPES
YEAR ENDED JUNE 30, 1999

(With Comparative Data for the Year Ended June 30, 1998)

	<u>June 30,</u>	
	<u>1999</u>	<u>1998</u>
REVENUES:		
Taxes	\$774 796	\$693,301
Licenses	55 633	57,051
Intergovernmental	33 545	21,410
Fines	205 058	170,259
Interest	58 081	79,281
Other	4 169	3,885
	1 131 282	1,025,187
EXPENDITURES:		
CURRENT		
General Government	273 529	251,454
Public Safety	253 248	209,682
Highway and Streets	33 711	44,805
Maintenance	163 610	152,962
Capital Outlay	144 299	174,618
	868 397	833,521
EXCESS OF REVENUES OVER EXPENDITURES	262 885	191,666
OTHER FINANCIAL SOURCES (USES)		
Sale of Fixed Assets	901	-0-
	263 786	191 666
EXCESS OF REVENUES AND OTHER SOURCES OVER EXPENDITURES	263 786	191 666
FUND BALANCE, July 1	1,657,169	1,465,503
FUND BALANCE, June 30	1 920 955	1,657,169

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THIS STATEMENT.

TOWN OF BRUSLY, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
GOVERNMENTAL FUND TYPE - GENERAL FUND
YEAR ENDED JUNE 30, 1999

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUES:			
Taxes	\$660,000	\$774,796	\$114,796
Licenses	43,100	55,633	12,533
Intergovernmental	21,000	33,545	12,545
Fines	101,100	205,058	103,958
Interest	60,000	58,081	(1,919)
Other	3,700	4,169	469
	<hr/>	<hr/>	<hr/>
TOTAL REVENUES	888,900	1,131,282	242,382
	<hr/>	<hr/>	<hr/>
EXPENDITURES:			
CURRENT			
General Government	293,349	273,529	19,820
Public Safety	266,027	253,248	12,779
Highway and Streets	55,000	33,711	21,289
Maintenance	176,679	163,610	13,069
Capital Outlay	494,800	144,299	350,501
	<hr/>	<hr/>	<hr/>
TOTAL EXPENDITURES	1,285,855	868,397	417,458
	<hr/>	<hr/>	<hr/>
EXCESS OF REVENUE OVER EXPENDITURES	(396,955)	262,885	659,840
OTHER FINANCIAL SOURCES (USES)			
Sale of Fixed Assets	-0-	901	901
	<hr/>	<hr/>	<hr/>
EXCESS OF REVENUES AND SOURCES OVER EXPENDITURES	(396,955)	263,786	660,741
FUND BALANCE, July 1	1,657,169	1,657,169	-0-
	<hr/>	<hr/>	<hr/>
FUND BALANCE, June 30	1,260,214	1,920,955	660,741
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THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THIS STATEMENT.

TOWN OF BRUSLY, LOUISIANA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
PROPRIETARY FUND TYPE-ENTERPRISE FUND
YEAR ENDED JUNE 30, 1999

(With Comparative Data for the Year Ended June 30, 1998)

	<u>June 30,</u>	
	<u>1999</u>	<u>1998</u>
OPERATING REVENUES		
Sewer User Fees	\$125,033	\$123,502
OPERATING EXPENSES		
Personal Services	17,701	16,138
Repairs and Maintenance	24,746	39,706
Utilities	17,211	19,594
Depreciation	104,194	105,489
TOTAL OPERATING EXPENSES	163,852	180,927
OPERATING INCOME (LOSS)	(38,819)	(57,425)
NON-OPERATING REVENUE (EXPENSES)		
Interest on Investment	3,810	2,744
Interest Expense	(37,035)	(39,879)
TOTAL NON-OPERATING REVENUE (EXPENSES)	(33,225)	(37,135)
NET INCOME (LOSS)	(72,044)	(94,560)
RETAINED EARNINGS (DEFICIT), July 1	2,015,780	2,110,340
RETAINED EARNINGS (DEFICIT), June 30	1,943,736	2,015,780

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THIS STATEMENT.

TOWN OF BRUSLY, LOUISIANA
STATEMENT OF CASH FLOWS
PROPRIETARY FUND TYPE-ENTERPRISE FUND
YEAR ENDED JUNE 30, 1998

CASH FLOWS FROM OPERATING ACTIVITIES

Net Income (Loss)	\$(72,044)
Adjustments to reconcile net income (loss) to net cash provided by operating activities -	
Depreciation	104,194
(Increase) Decrease in:	
Accounts Receivable	(664)
Increase (Decrease) in:	
Accounts Payable	(2,129)
Accrued Expenses	80
Due to other Funds	61,708
Net Cash Provided By Operations	91,145
 <u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>	
Purchase of Equipment	-0-
 <u>CASH FLOWS FROM FINANCING ACTIVITIES:</u>	
Principal Paid on Bonds	(11,483)
 NET INCREASE (DECREASE) IN CASH	 79,662
CASH AND CASH EQUIVALENTS, July 1	104,217
 CASH AND CASH EQUIVALENTS, June 30	 183,879

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THIS STATEMENT.

TOWN OF BRUSLY, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1999

INTRODUCTION

The Town of Brusly, Louisiana, was incorporated in 1901 under the provisions of the "Lawrason Act" (Louisiana Revised Statutes (LRS) 33:321-481 of the Constitution of the State of Louisiana). The Town operates under the Board of Aldermen-Mayor form of government and provides the following services as permitted by the Constitution: police protection, streets and sidewalks, health and sanitation, public improvements, recreation, sponsorship of federal programs, and sewer utilities.

The area of the Town of Brusly, Louisiana, is approximately 2 square miles and the Town maintains 6 miles of streets. The population of the Town of Brusly, Louisiana is 1,760 based on the 1990 census and the Town employs approximately 18 persons serving approximately 750 sewer customers.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The accompanying financial statements of the Town of Brusly, Louisiana, have been prepared in conformity with generally accepted accounting principles (GAAP) as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

B. PRINCIPLES DETERMINING SCOPE OF REPORTING ENTITY

As the governing authority of the town, for reporting purposes, the Town of Brusly is the reporting entity for the Town. Statement 14, The Reporting Entity, of Governmental Accounting and Financial Reporting Standards (GASB) established criteria for determining which component units should be considered part of the Town of Brusly for financial reporting purposes. The basic, but not the 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 factors of the ability to exercise oversight responsibility include, but are not limited to, the selection of or appointment of governing boards, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the Town and/or its residents or whether the activity is conducted within the geographic boundaries of the Town and is generally available to the citizens of the Town.

TOWN OF BRUSLY, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1999

B. PRINCIPLES DETERMINING SCOPE OF REPORTING ENTITY

A third 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 following criteria as explained previously were used to determine which components are part of the reporting entity:

1. Oversight responsibility
 - a. Appointment of governing boards
 - b. Designation of management
 - c. Ability to significantly influence operations
 - d. Accountability for fiscal matters
2. Scope of public service
3. Special financing relationships

Considerate in the determination of component units of the reporting entity were the West Baton Rouge Police Jury, West Baton Parish Sheriff, Clerk of Court, Tax Assessor and School Board; the District Attorney of the Eighteenth Judicial District and the various municipalities in the Parish. It was determined that these governmental entities are not component units of the Town of Brusly reporting entity.

With the exception of municipalities, all entities meet the scope of public service criteria. However, all are governed by independently elected officials. The Town oversight unit neither appoints governing boards nor designates management. Furthermore, the Town has no ability to significantly influence operations, nor does it have any accountability for fiscal matters of the entities. They are considered by the Town to be separate, autonomous governments and issue financial statements separate from those of the Town reporting entity.

C. FUND ACCOUNTING

The Town uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. On the other hand, an account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

TOWN OF BRUSLY, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1999

C. FUND ACCOUNTING (Continued)

Funds of the Town are classified into two categories: governmental and proprietary. Each category, in turn, is divided into separate fund types. The fund classifications and a description of each existing fund type follow:

Governmental Funds:

Governmental funds are used to account for all or most of the Town's general activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of general fixed assets and the servicing of general long-term debt. Governmental funds include:

General Fund - the general operating fund of the Town accounts for all financial resources, except those required to be accounted for in other funds.

Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes.

Proprietary Funds:

Proprietary Funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Proprietary funds differ from governmental funds in that their focus is on income measurement, which, together with the maintenance of equity, is an important financial indicator. Proprietary funds include:

Enterprise funds - are used to account for operations (a) that are financed and operated in a manner similar to a private business enterprise, where the intent of the governing body is the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

TOWN OF BRUSLY, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1999

D. BASIS OF ACCOUNTING

The accounting and financial reporting treatment applied to a fund assets associated with a fund are determined by its measurement focus. All governmental funds are accounted for on a spending or "financial flow" measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheets. Operating statements of these funds represent increases and decreases in net current assets. The modified accrual basis of accounting is used by all governmental funds and agency funds. The governmental funds use the following practices in recording revenues and expenditures:

Revenues

Revenues are recognized when they become measurable and available as net current assets.

Taxpayer-assessed income, gross receipts, and sales taxes are considered "measurable" when received by the collecting governments and are recognized as revenue at that time. Anticipated refunds of such taxes are recorded as liabilities and reductions of revenues when they are measurable and their validity seems certain.

Utility and franchise taxes, licenses and permits, fines and forfeitures and miscellaneous revenue are recorded as revenues when received in cash. Charges for services and investment earnings are recorded as earned since they are measurable and available. Where grant revenue is dependent upon expenditures by the Town, revenue is recognized when the related expenditures are incurred.

Property tax revenue is recognized when it becomes available. Available means when due, or past due and the receivables are collected, generally within 60 days after year end. Under the modified accrual basis of accounting, some revenues are susceptible to accrual while others are not. Major revenues treated as susceptible to accrual are sales taxes, grant revenues, gross receipts business taxes, and certain state shared revenues such as tobacco tax and beer tax.

Expenditures

Expenditures are recognized under the modified accrual basis of accounting when the related fund liability is incurred.

TOWN OF BRUSLY, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1999

D. BASIS OF ACCOUNTING (Continued)

The proprietary fund is accounted for on a flow of economic resources measurement focus and a determination of net income and capital maintenance. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. The proprietary fund uses the accrual basis of accounting. Revenues are recognized when earned, and expenses are recognized at the time liabilities are incurred.

E. BUDGETS

The Town uses the following budget practices:

1. A proposed operating budget for the fiscal year is presented by the town clerk. The operating budget includes proposed expenditures and the means of financing them.
2. A public hearing is conducted in the Town Hall to obtain taxpayer comments on the budget, which must be adopted by May 15.
3. Budget amendments involving the transfer of funds from one department, program or function to another or involving increases in expenditures resulting from revenues exceeding amounts estimated require the approval of the respective Governing Board.
4. All unencumbered budget appropriations, except project budgets, lapse at the end of each fiscal year.
5. Budgets are adopted on the GAAP Basis.

F. ENCUMBRANCES

The Town does not follow the encumbrance method of accounting.

G. CASH AND CASH EQUIVALENTS

Cash includes amounts in demand deposits, interest bearing demand deposits, savings and money market accounts. Cash equivalents include amounts in time deposits with maturities of 90 days or less. Under state law, the Town may deposit funds in demand deposits, interest bearing demand deposits, money market accounts or time deposits with state banks organized under Louisiana law and national banks having principal offices in Louisiana.

TOWN OF BRUSLY, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1999

H. SHORT-TERM INTERFUND RECEIVABLES/PAYABLES

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as due from other funds or due to other funds on the balance sheet. Short-term interfund loans are classified as interfund receivables/payables.

I. ADVANCES TO OTHER FUNDS

Noncurrent portions of long-term interfund loan receivables are reported as advances and are offset equally by a fund balance reserve account, which indicates that they do not constitute expendable available financial resources and, therefore, are not available for appropriation.

J. INVENTORIES

Inventories in the governmental and proprietary funds are considered immaterial and the expenditures and expenses are recognized when the items are purchased.

K. PREPAID ITEMS

Insurance and similar services which extend over more than one accounting period have been recognized as expenditures when paid.

L. RESTRICTED ASSETS

Certain proceeds of enterprise fund revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants.

M. FIXED ASSETS

Fixed assets of governmental funds are recorded as expenditures at the time purchased or constructed, and the related assets are capitalized (reported) in the general fixed assets account group. Public domain or infrastructure is not capitalized. There was no construction period interest therefore none was capitalized. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost or estimated cost if historical cost is not available.

TOWN OF BRUSLY, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1999

M. FIXED ASSETS (Continued)

Fixed assets used in the proprietary fund operations are included on the balance sheet of funds with the related accumulated depreciation. Depreciation of all exhaustible fixed assets used by proprietary fund operations is charged as an expense against operations. Depreciation is computed using the straight-line method with the following useful lives:

Buildings	10-25 Years
Municipal Sewerage System	40 Years
Equipment	5-10 Years

N. COMPENSATED ABSENCES

For government fund types, the Town's liability for accumulated unpaid vacation has been recorded in the general long-term debt group of accounts. The liabilities has been determined using the number of vested vacation hours for each employee multiplied by the employee's current wage rate at the end of the year. Accrued vacation benefits will be paid from future years' resources and will be recorded as fund expenditures in the various governmental funds in the year which they are paid or becomes due on demand to terminated employees. The Town has the following policy relating to vacation leave: one to six years = 80 Hours/Year on January 1; six to nine years = 96 Hours/Year On January 1; and ten and over = 120 Hours/Year On January 1.

Each employee shall earn sick leave at the rate of eight hours for each month worked; provided, however, no employee may accumulate more than eighty hours of sick leave per year nor accumulate more than two hundred forty hours of sick leave overall. The Town's sick leave policy does not provide for the payment of sick leave for terminated employees for any unused portion.

O. FUND EQUITY

Reserves

Reserves represent those portions of fund equity not appropriate for expenditure or legally segregated for a specific future use.

Q. SALES TAXES

The Town receives a share of the Parish Sales Tax from the West Baton Rouge Police Jury Sales Tax Department as follows:

- 9.817% of 1% of Parish Sales Tax
- 9.817% of 1% of Sales Tax District Tax

TOWN OF BRUSLY, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1999

R. COMPARATIVE DATA

Comparative data for the prior year have been presented in the accompanying financial statements to provide an understanding of changes in the Town's financial position and operations. However, presentation of comparative data by fund type have not been presented in each of the statements since their inclusion would make the statements unduly complex and difficult to read.

S. TOTAL COLUMN ON COMBINED STATEMENTS

Total Column on the Combined Statements is captioned "Memorandum Only" to indicate that it is presented only to facilitate financial analysis. Data in this column does not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles, nor is such data comparable to consolidation. Interfund eliminations have not been made in the aggregation of this data.

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Retained Deficit

The proprietary fund has a Unreserved retained earnings deficit as of June 30, 1999, in the amount of \$(1,081,732); however, contributed capital in the amount of \$2,946,522 is more than enough to offset the deficit. Should it becomes necessary to extinguish the deficit, the General Fund has available a fund balance of \$1,920,955 that could be transferred to the proprietary fund.

NOTE 3 - LEVIED TAXES

The following is a summary of authorized and levied ad valorem taxes for the year:

<u>FUND</u>	<u>LEVIED MILLS</u>	<u>EXPIRATION DATE</u>	<u>PROPERTY ASSESSED VALUATIONS</u>	<u>TAXES ASSESSED FOR GENERAL PURPOSE</u>
General Fund	2.56	Annual	\$6,048,550	\$15,484

A list of the principal taxpayers of the Town is not available, because a review of the tax roll revealed that most tax levies do not exceed \$30.

TOWN OF BRUSLY, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1999

NOTE 4 - CASH AND CASH EQUIVALENTS

As of June 30, 1999, the Town has cash and cash equivalents (book balances) totaling **\$567,495** as follows:

Petty Cash	\$550
Demand Deposits	223,123
Interest Bearing Checking	343,822
	<hr/>
Total	567,495
	<hr/> <hr/>

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. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. At year end, the Town has **\$579,508** in deposits (collected bank balances). These deposits are insured from risk by **\$200,000** of federal deposit insurance and **\$472,461** of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

NOTE 5 - INVESTMENTS

The Town has the following investments at year end:

	<u>MARKET</u>	<u>COST</u>
US Treasury Money Markets	\$68,391	\$68,391
US Government Notes & Mortgage Agencies	1,107,641	1,108,737
	<hr/>	<hr/>
Total investments	1,176,032	1,177,128
	<hr/> <hr/>	<hr/> <hr/>

TOWN OF BRUSLY, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1999

NOTE 6 - RECEIVABLES

A. A Summary of Receivables as of June 30, 1999, Follows:

<u>CLASS OF RECEIVABLE</u>	<u>GENERAL</u>	<u>ENTERPRISE</u>	<u>TOTAL</u>
Ad Valorem	\$57		\$57
Sales Taxes	48,400	-0-	48,400
Franchise Taxes	25,489	-0-	25,489
Tobacco, Beer and Video Taxes	5,244	-0-	5,244
	<hr/>	<hr/>	<hr/>
Total Taxes Receivable	79,190	-0-	79,190
	<hr/>	<hr/>	<hr/>
Accounts Receivable	893	10,754	11,647
	<hr/>	<hr/>	<hr/>
Intergovernmental (DOTD)	2,257	-0-	2,257
(OJP)	11,452	-0-	11,452
	<hr/>	<hr/>	<hr/>
Total Intergovernmental	13,709	-0-	13,709
	<hr/>	<hr/>	<hr/>
Total	93,792	10,754	104,546
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Accounts receivable are written-off under the direct write-off method whereby bad debts are recorded when a receivable is deemed uncollectible. If they are subsequently collected they are recorded as miscellaneous income. The direct charge-off method is not a material departure from GAAP as it approximates the valuation method.

B. **Due To/From Other Funds**

The following is a summary of Due To/From Other Funds:

<u>RECEIVABLE FUND</u>	<u>PAYABLE FUND</u>	<u>AMOUNT</u>
General Fund	Enterprise Fund	\$316,438
		<hr/> <hr/>

TOWN OF BRUSLY, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1999

NOTE 7 - FIXED ASSETS

A. A summary of changes in general fixed assets follows:

	<u>BALANCE</u> <u>7/1/98</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>BALANCE</u> <u>6/30/99</u>
Land	\$10,000	-0-	-0-	\$10,000
Buildings	317,887	-0-	-0-	317,887
Equipment	426,533	\$99,379	\$15,753	510,159
Total	<u>754,420</u>	<u>99,379</u>	<u>15,753</u>	<u>838,046</u>

B. A summary of Proprietary Fund type property, plant and equipment at June 30, 1999, follows:

Equipment	\$25,395
Sewer System	4,122,554
	<u>4,147,949</u>
Less: Accumulated Depreciation	(1,376,502)
Total	<u>2,771,447</u>

NOTE 8 - ACCOUNTS AND OTHER PAYABLES

The payables as of June 30, 1999, are as follows:

	<u>GENERAL</u>	<u>ENTERPRISE</u>	<u>TOTAL</u>
Accounts Payable	\$28,378	\$300	\$28,678

NOTE 9 - REVENUE BONDS AND BOND ANTICIPATION NOTES PAYABLE

Changes in Long-Term Debt: The following is a summary of debt transactions for the year ended June 30, 1998:

	<u>BALANCE</u> <u>7/1/98</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>BALANCE</u> <u>6/30/99</u>
Revenue Bonds-GE Capital	\$420,705	-0-	\$9,138	\$411,567
Revenue Bonds-FmHA	296,160	-0-	2,345	293,815
Total	<u>716,865</u>	<u>-0-</u>	<u>11,483</u>	<u>705,382</u>

TOWN OF BRUSLY, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1999

NOTE 9 - REVENUE BONDS AND BOND ANTICIPATION NOTES PAYABLE (Continued)

Revenue Bond Payables at June 30, 1999, are comprised of the following:

\$505,000 Sewerage Revenue Bond Dated June 13, 1983; bearing interest at 5%; due in annual installments of interest only for years one and two and \$29,942 thereafter until principal and interest are fully paid = **\$411,567.**

\$300,000 Sewer Revenue Bonds dated September 10, 1996, bearing interest at 5.5%, due in monthly installments of principal and interest of \$1,548 for four hundred eighty months = **\$293,815.**

The annual requirements to amortize the above debt outstanding as of June 30, 1999, including interest follows:

<u>YEAR</u> <u>ENDING JUNE 30</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
2000	\$11,917	\$36,592	\$48,509
2001	12,528	35,981	48,509
2002	13,172	35,337	48,509
2003	13,742	34,767	48,509
2004	14,448	34,061	48,509
Thereafter	639,575	766,021	1,405,596
Total	<u>705,382</u>	<u>942,759</u>	<u>1,648,141</u>

NOTE 10 - DEFERRED REVENUE

The Town has deferred its June 30, 1999, Cable Franchise Taxes of **\$8,032** to fiscal year-end June 30, 2000.

TOWN OF BRUSLY, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1999

NOTE 11 - FLOW OF FUNDS: RESTRICTIONS ON USE-SEWERAGE SYSTEM REVENUES

A. G M A C

Under the terms of the bond resolution dated January 3, 1983, regarding revenue bonds dated June 13, 1983, all income and revenues (hereinafter referred to as revenue) of every nature, earned or derived from the operation of the Sewerage System are to be deposited as collected in a special bank account to be known as the "Sewer System Revenue Fund." Said fund is established to provide for the payment of reasonable and necessary expenses of operating and maintaining the system and make periodic transfers to the following funds:

1. Revenue Bond Sinking Fund

For each month after the delivery of the bonds, there will be set aside a sum equal to 1/2 of the next maturing installment of principal and interest on outstanding bonds. Such transfers shall be fully sufficient to assure the prompt payment of principal and interest installments as they become due, and may be used only for such purposes.

2. Revenue Bond Reserve Fund

For each month after the system becomes revenue producing, there will be set aside an amount equal to 5% of the principal and interest payments required for the sinking fund until there shall have been accumulated in the reserve account an amount equal to the maximum interest and principal requirements in any succeeding fiscal year. Such amounts may be used only for the payment of principal and interest installments for which sufficient funds are not on deposit in the sinking fund.

3. Depreciation & Contingency Fund

For each month after the completion of the project, there will be set aside the sum of \$188 until the amount of \$46,000 is deposited in the fund. Money in this fund may be used for paying cost of extraordinary repairs and replacements to the system which are necessary to keep the system in operating condition. Money in this fund may also be used to pay principal and interest on the bonds falling due at any time there is not sufficient money for payment in the other bond funds.

All moneys remaining in the "Sewer System Revenue Fund", after all the required transfers are made and deficiencies have been remedied, may be used for the purpose of retiring bonds in advance of their maturities.

TOWN OF BRUSLY, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1999

NOTE 11 - FLOW OF FUNDS: RESTRICTIONS ON USE-SEWERAGE SYSTEM REVENUES (Continued)

B. FARMERS HOME ADMINISTRATION

Under the terms of the bond resolution dated April 18, 1986, regarding revenue bonds dated September 10, 1986, all income and revenues (hereinafter referred to as revenue) of every nature, earned or derived from the operation of the Sewerage System are to be deposited as collected in a special bank account to be known as the "Sewer System Revenue Fund." Said fund is established to provide for the payment of reasonable and necessary expenses of operating and maintaining the system and make periodic transfers to the following funds:

1. Revenue Bond Sinking Fund

For each month after the delivery of the bonds, there will be set aside a sum equal to 1/2 of the next maturing installment of principal and interest on outstanding bonds. Such transfers shall be fully sufficient to assure the prompt payment of principal and interest installments as they become due, and may be used only for such purposes.

2. Revenue Bond Reserve Fund

For each month after the system becomes revenue producing, there will be set aside an amount equal to 5% of the principal and interest payments required for the sinking fund until there shall have been accumulated in the reserve account an amount equal to the maximum interest and principal requirements in any succeeding fiscal year. Such amounts may be used only for the payment of principal and interest installments for which sufficient funds are not on deposit in the sinking fund.

3. Depreciation & Contingency Fund

For each month after the completion of the project, there will be set aside the sum of \$271. Money in this fund may be used for paying cost of extraordinary repairs and replacements to the system which are necessary to keep the system in operating condition. Money in this fund may also be used to pay principal and interest on the bonds falling due at any time there is not sufficient money for payment in the other bond funds.

TOWN OF BRUSLY, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1999

NOTE 12 - CHANGES IN ASSETS RESTRICTED FOR REVENUE BOND RETIREMENT

	<u>F M H A</u>		<u>G M A C</u>		
	RESERVE FOR BOND RETIRE	DEPREC AND CONTING	RESERVE FOR BOND RETIRE	DEPREC AND CONTING	TOTAL
Balance, July 1	\$924	\$3,252	\$36,154	\$29,944	\$70,274
Transfer From (To) Unrestricted Cash	-0-	\$3,252	29,942	2,256	35,450
Transfer From (To) Restricted Cash	-0-	-0-	(29,942)	-0-	(29,942)
Interest Earned	924	-0-	1,312	928	3,164
Balance, June 30	<u>1,848</u>	<u>6,504</u>	<u>37,466</u>	<u>33,128</u>	<u>78,946</u>

NOTE 13 - SEGMENT OF ENTERPRISE FUND

The Town maintains provides sewer services. Segment information for the year ended June 30, 1999, was as follows:

Operating Revenues	\$125,033
Depreciation	104,194
Operation Income (Loss)	(38,819)
Net Income (Loss)	(72,044)
Net Working Capital	182,192
Total Assets	2,966,080
Bonds Payable	705,382
Total Equity	1,943,736

NOTE 14 - LITIGATION, CLAIMS AND CONTINGENCIES

At June 30, 1999, the Town's attorney has represented to me there is pending or threatened litigation against the Town.

It is the opinion of the Town's Attorney that the Town does not have any reasonable estimated or probable liability using the criteria established under F.A.S.B. Statement 5.

No claims were paid out during the year ended June 30, 1999, and the Town did not incurred any litigation costs during the current year.

TOWN OF BRUSLY, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1999

NOTE 15 - PENSION PLAN AND RETIREMENT COMMITMENTS

The Town elected to be covered under the Social Security System.

1. MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM:

Additionally, substantially all of the Town's employees are members of the Municipal Employees' Retirement System of Louisiana ("System") a cost-sharing multiple-employer plan, controlled and administered by a separate board of trustees. The system was established and provided for by R.S.11:1731 of the Louisiana Revised Statutes.

Membership is mandatory as a condition of employment beginning on the date employed if the employee is on a permanent basis working at least thirty-five hours per week, not participating in another public funded retirement system and under the age of 60.

Any member of Plan B can retire providing he meets one of the following criteria:

1. Age 55 with 30 years of creditable service.
2. Age 60 with a minimum of 10 or more years of service.
3. Under age 60 with 10 years of services for disability benefits.
4. Survivor's benefits require 20 years creditable service at death of member.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the **Municipal Employee's Retirement System of Louisiana**, 7937 Office Park Blvd, Baton Rouge, Louisiana 70809, or by calling (504) 925-4810.

Funding Policy

Under Plan B, members are required by state statute to contribute 5 percent of their annual covered salary and the Town is required to contribute at an actuarially determined rate. The current rate is 3.75 percent of annual covered payroll. The System also receives 1/4 of 1% of ad valorem taxes collected within the respective parish. The System also receives revenue sharing funds each year as appropriated by the Legislature. These additional sources of income are used as additional employer contributions.

For the year ended June 30, 1999, the total payroll for employees of the Town covered by the System was **\$183,226** and the total payroll for the Town was **\$342,479**. The Town's contributions to the System under Plan B for the years ended June 30, 1999, 1998, and 1997, were **\$5,039**, **\$3,842** and **\$5,296**, respectively, equal to the required contributions for each year.

TOWN OF BRUSLY, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1999

NOTE 15 - PENSION PLAN AND RETIREMENT COMMITMENTS (Continued)

2. MUNICIPAL POLICE EMPLOYEES' RETIREMENT SYSTEM:

Additionally, some of the Police Department employees are members of the Municipal Police Employees' Retirement System ("System"), a cost-sharing multiple-employer plan, controlled and administered by a separate board of trustees.

Membership is mandatory for all full-time police officers employed by a municipality of the State of Louisiana and engaged in law enforcement, empowered to make arrest, providing they do not have to pay social security and providing they meet the statutory criteria.

Benefit provisions are authorized within Act 189 of 1973 and amended by LRS 11:2211-11:2233.

Any member is eligible for normal retirement after he has been a member of the system for one year, if he has 25 years of creditable service at any age or has 20 years of creditable service and is age 50 or has 12 years credible service and is age 55.

Funding Policy

Contributions in the current year for all members are established by statute at 7.5% of earnable compensation. Contributions in the current year for all employers are actuarially determined at 9% of employee's earnable compensation excluding overtime but including supplemental pay. The system also receives a percentage of insurance premiums which is used as an additional employer contribution.

For the year ended June 30, 1999, the total payroll for employees of the Police Department covered by the System was \$116,585 and the total payroll for the Town was \$342,479.

The Town's contributions to the System for the years ended June 30, 1999, 1998, and 1997, were \$10,493, \$9,813, and \$7,468, respectively, equal to the required contributions for each year.

NOTE 16 - POST-RETIREMENT BENEFITS

The Town does not provide continuing health care, life insurance or any other post-retirement benefits for its retired employees.

TOWN OF BRUSLY, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1999

NOTE 17 - YEAR 2000 ISSUE

The Town of Brusly has evaluated the potential affects of the Year 2000 (Y2K) issue related to computer hardware and software and determined that both the hardware and software could be affected. The only mission critical software that the Town has are the accounting and docket software packages. The Town has purchased new software which is Y2K compliant.

SUPPLEMENTARY INFORMATION

TOWN OF BRUSLY, LOUISIANA
SUPPLEMENTAL INFORMATION SCHEDULE
FOR THE YEAR ENDED JUNE 30, 1999

COMPENSATION PAID TO GOVERNING BODY

The schedule of compensation paid to the Town's Governing Body is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. Compensation of the Governing Body is included in the legislative expenditures of the General Fund. Compensation paid is as follows:

Lynn Pourciau, Mayor	\$12,084
James Woods, Jr.	1,750
Henrietta Woods	1,250
Larry Durbin	2,000
Thomas Jordan	3,000
Scot Rhodes	3,000
Aaron Savant	3,000
Shane Andre'	1,000

TOWN OF BRUSLY, LOUISIANA
SCHEDULE OF INSURANCE IN FORCE
FOR THE YEAR ENDED JUNE 30, 1999

<u>COMPANY</u>	<u>POLICY NUMBER</u>	<u>NATURE OF INSURANCE</u>	<u>COVERAGE</u>	<u>TERMINATION DATE</u>
EMC Insurance	0X577 86 96	Town Hall	\$188,000	12-23-99
		Personal Property	50,000	12-23-99
		Maintenance Building	107,000	12-23-99
		Personal Property	10,000	12-23-99
		Building 180 E St Francis	103,000	12-23-99
		Personal Property	10,000	12-23-99
		Miscellaneous Property	130,708	12-23-99
EMC Insurance	0X5-50-13-96	Equipment Floater	\$238,000	9-23-99
EMC Insurance	S153294	Notary Bond-Berthelot	\$5,000	7-24-2000
	S151316	Public Officials	150,000	5-27-2000
	S151315	Public Employees Bond	100,000	4-21-1998
Risk Management	WC-119	Workers' Compensation	Statutory	1-01-00
Risk Management	LML-036	Automobile Liability	\$500,000	5-01-00
		General Liability	500,000	5-01-00
		Police Professional	500,000	5-01-00
		Errors and Omissions	500,000	5-01-00

TOWN OF BRUSLY CENTENNIAL COMMITTEE
CONDENSED FINANCIAL STATEMENTS
JUNE 30, 1999

CONDENSED STATEMENT OF FINANCIAL POSITION

	<u>1999</u>	<u>1998</u>
ASSETS		
Cash	\$1,038	\$1,363
Certificates of Deposits	37,881	16,000
Fixed Assets	784	505
	<hr/>	<hr/>
TOTAL ASSETS	39,703	17,868
	<hr/> <hr/>	<hr/> <hr/>
NET ASSETS		
Net Assets	\$39,703	17,868
	<hr/> <hr/>	<hr/> <hr/>

CONDENSED STATEMENT OF ACTIVITIES

	<u>JUNE 30,</u>	
	<u>1999</u>	<u>1998</u>
REVENUE:		
Government Grants	\$25,000	\$20,000
Interest Income	1,880	-0-
	<hr/>	<hr/>
	26,880	20,000
	<hr/>	<hr/>
EXPENSES:		
Centennial Expenses	2,622	478
Travel	-0-	87
Rent	50	-0-
Miscellaneous	5	168
Publication of Book	750	533
Annual Events	1,314	660
Capital Expenses	280	615
Postage	304	377
	<hr/>	<hr/>
TOTAL EXPENSES	5,325	2,918
	<hr/>	<hr/>
NET INCREASE IN NET ASSETS	21,555	17,028
	<hr/> <hr/>	<hr/> <hr/>

Donald C. DeVille

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CELLULAR (504) 335-3647

CERTIFIED PUBLIC ACCOUNTANT
7829 BLUEBONNET BLVD.
BATON ROUGE, LOUISIANA 70810
(504) 767-7829

MEMBER
AMERICAN INSTITUTE OF CPAs
LOUISIANA SOCIETY OF CPAs

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

September 23, 1999

To the Honorable Mayor and Members
of the Board of Aldermen
Town of Brusly, Louisiana

I have audited the financial statements of the Town of Brusly Town as of and for the year ended June 30, 1999, and have issued my report thereon dated September 23, 1999. 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.

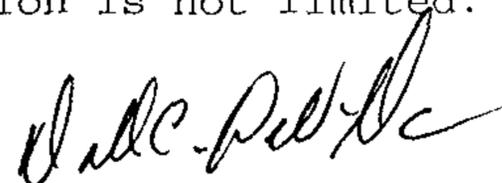
COMPLIANCE

As part of obtaining reasonable assurance about whether Town of Brusly's 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.

INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing my audit, I considered Town of Brusly's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control over financial reporting. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. 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 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. I noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended for the information of the management, and federal awarding agencies and pass-through entities. However, this report is a matter of public record and distribution is not limited.



TOWN OF BRUSLY, LOUISIANA
SCHEDULE OF PRIOR YEARS FINDINGS
JUNE 30, 1998

<u>REF NO.</u>	<u>FISCAL YEAR FINDING INITIALLY OCCURRED</u>	<u>DESCRIPTION OF FINDING</u>	<u>CORRECTIVE ACTION TAKEN (YES, NO, PARTIALLY)</u>	<u>CORRECTIVE ACTION/PARTIAL CORRECTIVE ACTION TAKEN</u>
1.	06-30-98	\$12,421 In Traffic Fines Were Not Accounted For.	Yes	The Employee Responsible Is No Longer Employed. The Current Employee Is Adhering To Town Policies.

* * * *