

2. Organizations for which the municipality does not appoint a voting majority but are financially dependent of the municipality.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

The Corporation has been determined to be a component unit of the Town of Bristol because the Town appoints a voting majority of the Corporation's governing body and has the ability to impose its will on the organization.

II. FUND ACCOUNTING

The Corporation 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.

The Corporation utilizes one governmental fund type, the general fund which accounts for all financial resources, except those required to be accounted for in other funds.

C. 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 refers to the timing of measurements made, regardless of the measurement basis 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. 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 recognized as expenditures at the time purchased.

BROUSSARD ECONOMIC DEVELOPMENT CORPORATION

Financial Report

June 30, 1996

TABLE OF CONTENTS

	Page
Accountant's Compilation Report	1
GENERAL PURPOSE FINANCIAL STATEMENTS (COMBINED STATEMENTS-DIVISION)	
Combined Balance Sheet-All Fund Types and Account Groups	2
Statement of Revenues, Expenditures, and Changes in Fund Balances-Budget (GAAP Basis) and Actual-General Fund	3
Notes to Financial Statements	4-9

BROUSSARD ECONOMIC DEVELOPMENT CORPORATION

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL - GENERAL FUND
 Year Ended June 30, 1996

	Budget	Actual	Variance - Favorable (Unfavorable)
Revenues:			
City/Town of Broussard	4,000	1,425	(2,575)
Donations	-	350	350
Total revenues	<u>4,000</u>	<u>1,775</u>	<u>2,225</u>
Expenditures:			
Professional services	3,000	113	2,887
Office and administrative	200	36	164
Advertising & Promotion	1,700	2,516	(816)
Economic Development Video	7,500	6,525	975
Total expenditures	<u>12,400</u>	<u>9,190</u>	<u>3,210</u>
Excess (deficiency) of revenues over expenditures	(8,400)	(7,415)	(985)
Fund balance, beginning	<u>8,800</u>	<u>8,800</u>	-
Fund balance, ending	<u>400</u>	<u>1,385</u>	<u>(985)</u>

See Notes to Financial Statements.

BOUSSARD ECONOMIC DEVELOPMENT CORPORATION

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
June 30, 1996

	<u>General Fund</u>	<u>General Fixed Assets Account Group</u>	<u>Total (Micromarket Only)</u>
ASSETS			
Cash	1,385	-	1,385
Treasury	60,000	-	60,000
Equipment	-	4,996	4,996
Total assets	<u>61,385</u>	<u>4,996</u>	<u>66,381</u>
LIABILITIES AND FUND EQUITY			
Liabilities:			
Due to State of Louisiana	60,000	-	60,000
Total Liabilities	<u>60,000</u>	<u>-</u>	<u>60,000</u>
Fund equity:			
Investment in general fixed assets	-	4,996	4,996
Fund balance - Unreserved, undesignated	1,385	-	1,385
Total fund equity	<u>1,385</u>	<u>4,996</u>	<u>6,381</u>
Total Liabilities and fund equity	<u>61,385</u>	<u>4,996</u>	<u>66,381</u>

See Notes to Financial Statements.

1. 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 Corporation 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 Corporation 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, 1996, the Corporation had cash deposits (book balances) totaling \$1,395.

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. These securities are held in the name of the pledging fiscal agent bank or in a holding or custodial bank that is mutually acceptable to both parties. At June 30, 1996, bank balances were entirely secured by federal deposit insurance.

3. CHANGES IN FIXED ASSETS

A summary of changes in general fixed assets, which is comprised of office equipment, follows:

Balance at June 30, 1995	4,996
Additions	-
Deletions	-
Balance at June 30, 1996	<u>4,996</u>

4. COMPENSATION OF DIRECTORS AND OFFICERS

The directors and officers of the Corporation receive no compensation for their services.

5. DUE TO STATE OF LOUISIANA

The corporation used \$60,000 of the funds advanced by the Louisiana Department of Economic Development to purchase land upon which to locate a planned apparel manufacturing facility. Because the project was terminated prior to construction, Louisiana LDED has requested that the land be sold and the \$60,000 returned to the State of Louisiana.

D. 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. All fixed assets are stated at historical cost.

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

The Corporation had no long-term liabilities during the period from June 30, 1995 through June 30, 1996.

E. INVENTORIES

Inventories are valued at cost and consist of industrial park land held for sale to businesses wishing to locate in or near the Town of Bourneard.

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 Corporation as an extension of formal budgetary integration in the funds.

G. CAPITALIZATION OF INTEREST EXPENSE

It is the policy of the corporation to capitalize material amounts of interest resulting from borrowing in the course of the construction of fixed assets. For the period ended June 30, 1996, no interest expense was incurred or capitalized.

II. 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 or results of operations 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.

EDGENE H. CHIABULLI, JR.
CERTIFIED PUBLIC ACCOUNTANT

212 BISMARCK BLVD.
LAHARDETE, LA 70003

LSRB-241-2002

ACCOUNTANT'S COMPILATION REPORT

The Brouard Economic
Development Corporation
Brouard, Louisiana

I have compiled the accompanying general purpose financial statements of the Brouard Economic Development Corporation, a component unit of the Town of Brouard, Louisiana, as of and for the year ended June 30, 1996 as listed in the table of contents, in accordance with statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the responsibility of management. I have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.



October 24, 1996

BROSSARD ECONOMIC DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
June 30, 1996

INTRODUCTION

The Brossard Economic Development Corporation, (the Corporation) was incorporated on November 20, 1982 under the provisions Chapter 27 of Title 33 of the Louisiana Revised Statutes of 1998 as amended. The Corporation's members are comprised of the Mayor and aldermen of the Town of Brossard, and the members of the Town City Economic Development Committee of said town. Directors of the Corporation are elected by the members, number from three to nine, serve three year staggered terms and receive no compensation. Officers of the Corporation are elected by the directors, and must be directors. The Corporation pursues economic development in and around the Town of Brossard. Through June 30, 1996, the Corporation had no employees.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. REPORTING ENTITY

As the municipal governing authority, for reporting purposes, the Town of Brossard is considered a separate financial reporting entity. The financial reporting entity consists of (a) the primary government (municipality), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board (GASB) Statement No. 14 established criteria for determining which component units should be considered part of the Town of Brossard for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. These criteria include:

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the municipality to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the municipality.