

CITY OF BROUSSARD, LOUISIANA

Financial Report

Year Ended June 30, 2017

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INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Broussard, Louisiana, (City) as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Basis for Adverse Opinion on Discretely Presented Component Units

The financial statements referred to above do not include financial data for the City's legally separate component units. Accounting principles generally accepted in the United States of America require the financial data for component units to be reported with the financial data of the City's primary government unless the City also issues financial statements for the financial reporting entity that include the financial data for its component units. The City has not issued such reporting entity financial statements. Because of this departure from accounting principles generally accepted in the United States of America, the assets, liabilities, net assets, revenues, and expenses of the discretely presented component units would have been reported as \$1,731,705, \$62,720, \$1,668,985, \$1,269,164, and \$1,110,161, respectively.

Adverse Opinion

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on Discretely Presented Component Unit" paragraph, the financial statements referred to above do not present fairly the financial position of the discretely presented component unit of the City of Broussard, Louisiana, as of June 30, 2017 or the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Broussard, Louisiana, as of June 30, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require the budgetary comparison information on pages 38 through 42 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The City of Broussard has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Broussard, Louisiana's basic financial statements. The combining and comparative statements and various schedules included in other supplementary information are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and comparative statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, these combining and comparative statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole. The prior year comparative information on the combining and comparative statements has been derived from the City of Broussard's 2016 financial statements, which was subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, was fairly presented in all material respects in relation to the basic financial statements from which they have been derived.

The various schedules included in other supplementary information have not been subjected to the auditing procedures applied in the audit of the basic financial statements and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 3, 2017, on our consideration of the City of Broussard, Louisiana's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Kolder, Champagne, Slaven & Company, LLC
Certified Public Accountants

Lafayette, Louisiana
October 3, 2017

BASIC FINANCIAL STATEMENTS

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

CITY OF BROUSSARD, LOUISIANA

Statement of Net Position
June 30, 2017

	Governmental Activities	Business- Type Activities	Total
ASSETS			
Current assets:			
Cash and interest-bearing deposits	\$17,636,936	\$ 162,049	\$17,798,985
Receivables, net	2,527,378	415,453	2,942,831
Internal balances	8,014	(8,014)	-
Due from other governments	29,006	-	29,006
Prepaid items	185,104	72,851	257,955
Total current assets	<u>20,386,438</u>	<u>642,339</u>	<u>21,028,777</u>
Noncurrent assets:			
Restricted assets -			
Cash and interest-bearing deposits	4,068,669	304,530	4,373,199
Capital assets -			
Land and construction in progress	49,146,108	7,152,510	56,298,618
Capital assets, net	<u>11,631,948</u>	<u>21,411,501</u>	<u>33,043,449</u>
Total noncurrent assets	<u>64,846,725</u>	<u>28,868,541</u>	<u>93,715,266</u>
Total assets	<u>85,233,163</u>	<u>29,510,880</u>	<u>114,744,043</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred loss on bond refunding	<u>635,128</u>	<u>-</u>	<u>635,128</u>
LIABILITIES			
Current liabilities:			
Accounts, salaries and other payables	2,697,135	350,128	3,047,263
Due to other governments	166,338	-	166,338
Bonds payable	1,373,829	-	1,373,829
Accrued interest payable	<u>275,512</u>	<u>-</u>	<u>275,512</u>
Total current liabilities	<u>4,512,814</u>	<u>350,128</u>	<u>4,862,942</u>
Customers' deposits	-	304,530	304,530
Compensated absences payable	340,831	97,051	437,882
Bonds payable	<u>46,637,172</u>	<u>-</u>	<u>46,637,172</u>
Total noncurrent liabilities	<u>46,978,003</u>	<u>401,581</u>	<u>47,379,584</u>
Total liabilities	<u>51,490,817</u>	<u>751,709</u>	<u>52,242,526</u>
NET POSITION			
Net investment in capital assets	18,805,753	28,353,130	47,158,883
Restricted for sales tax dedications	9,740,457	-	9,740,457
Restricted for debt service	3,793,157	-	3,793,157
Unrestricted	<u>2,038,107</u>	<u>406,041</u>	<u>2,444,148</u>
Total net position	<u>\$34,377,474</u>	<u>\$28,759,171</u>	<u>\$63,136,645</u>

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

CITY OF BROUSSARD, LOUISIANA

Statement of Activities
For the Year Ended June 30, 2017

Activities	Expenses	Program Revenues			Net (Expense) Revenues and Changes in Net Position		
		Fees, Fines, and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental activities:							
General government	\$ 2,620,023	\$ 1,541,271	\$ -	\$ -	\$ (1,078,752)	\$ -	\$ (1,078,752)
Public safety	3,704,232	260,563	174,067	-	(3,269,602)	-	(3,269,602)
Streets and drainage	2,886,582	-	141,767	87,219	(2,657,596)	-	(2,657,596)
Interest on long-term debt	1,838,047	-	-	-	(1,838,047)	-	(1,838,047)
Total governmental activities	<u>11,048,884</u>	<u>1,801,834</u>	<u>315,834</u>	<u>87,219</u>	<u>(8,843,997)</u>	<u>-</u>	<u>(8,843,997)</u>
Business-type activities:							
Water	2,299,270	1,556,201	-	-	-	(743,069)	(743,069)
Sewer	1,860,945	718,063	-	185,292	-	(957,590)	(957,590)
Sanitation	936,516	957,880	-	-	-	21,364	21,364
Sports Complex	336,731	-	-	-	-	(336,731)	(336,731)
Total business-type activities	<u>5,433,462</u>	<u>3,232,144</u>	<u>-</u>	<u>185,292</u>	<u>-</u>	<u>(2,016,026)</u>	<u>(2,016,026)</u>
Total	<u>\$ 16,482,346</u>	<u>\$ 5,033,978</u>	<u>\$ 315,834</u>	<u>\$ 272,511</u>	<u>(8,843,997)</u>	<u>(2,016,026)</u>	<u>(10,860,023)</u>
General revenues:							
Taxes -							
Sales and use taxes, levied for general purposes					12,714,776	-	12,714,776
Franchise taxes					1,068,231	-	1,068,231
Grants and contributions not restricted to specific programs -							
State sources					107,227	-	107,227
Interest and investment earnings					67,121	714	67,835
Miscellaneous					97,678	-	97,678
Transfers					(2,675,069)	2,675,069	-
Total general revenues and transfers					<u>11,379,964</u>	<u>2,675,783</u>	<u>14,055,747</u>
Change in net position					2,535,967	659,757	3,195,724
Net position - July 1, 2016					<u>31,841,507</u>	<u>28,099,414</u>	<u>59,940,921</u>
Net position - June 30, 2017					<u>\$ 34,377,474</u>	<u>\$ 28,759,171</u>	<u>\$ 63,136,645</u>

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

FUND FINANCIAL STATEMENTS (FFS)

MAJOR FUND DESCRIPTIONS

General Fund

The General Fund is used to account for resources traditionally associated with governments which are not required to be accounted for in another fund.

Special Revenue Funds

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

1992 Sales Tax Fund -

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

TIF Sales Tax Fund -

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

2011 Recreational Sales Tax Fund -

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

Capital Projects Fund

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

Park Capital Projects Fund

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

LCDBG/Streets Capital Projects Fund

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

Enterprise Funds

Utility Fund -

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

Sports Complex Fund -

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

CITY OF BROUSSARD, LOUISIANA

Balance Sheet
Governmental Funds
June 30, 2017

	General	1992 Sales Tax	TIF Sales Tax	2011 Recreational Sales Tax	Park Capital Projects	LCDBG/Streets Capital Projects	Other Governmental Funds	Total
ASSETS								
Cash and interest-bearing deposits	\$ 5,529,228	\$ 4,610,705	\$ 3,015,848	\$ 3,914,950	\$ 5,207	\$ 561,416	\$ 4,068,251	\$ 21,705,605
Receivables -								
Taxes and licenses	1,050,030	875,729	155,480	440,462	-	-	-	2,521,701
Due from other governments	14,661	-	-	14,345	-	-	-	29,006
Due from other funds	939,203	1,257,077	-	95,954	2,580,000	1,480,946	-	6,353,180
Other	5,259	-	-	-	-	-	418	5,677
Prepaid items	185,104	-	-	-	-	-	-	185,104
Total assets	<u>\$ 7,723,485</u>	<u>\$ 6,743,511</u>	<u>\$ 3,171,328</u>	<u>\$ 4,465,711</u>	<u>\$ 2,585,207</u>	<u>\$ 2,042,362</u>	<u>\$ 4,068,669</u>	<u>\$ 30,800,273</u>
LIABILITIES AND FUND BALANCES								
Liabilities -								
Accounts payable and accrued expenditures	\$ 230,286	\$ 8,344	\$ 1,992	\$ 3,890	\$ 280	\$ 913	\$ -	\$ 245,705
Contracts payable	4,908	-	6,306	-	440,018	293,993	-	745,225
Retainage payable	-	-	-	-	1,425,423	280,782	-	1,706,205
Due to other governments	83,169	83,169	-	-	-	-	-	166,338
Due to other funds	27,420	1,336,853	183,462	3,016,077	717,556	1,063,798	-	6,345,166
Total liabilities	<u>345,783</u>	<u>1,428,366</u>	<u>191,760</u>	<u>3,019,967</u>	<u>2,583,277</u>	<u>1,639,486</u>	<u>-</u>	<u>9,208,639</u>
Fund balances -								
Nonspendable for prepaid items	185,104	-	-	-	-	-	-	185,104
Restricted for sales tax dedications	-	5,315,145	2,979,568	1,445,744	-	-	-	9,740,457
Restricted for debt service	-	-	-	-	-	-	4,068,669	4,068,669
Assigned for capital expenditures	-	-	-	-	1,930	402,876	-	404,806
Unassigned	7,192,598	-	-	-	-	-	-	7,192,598
Total fund balances	<u>7,377,702</u>	<u>5,315,145</u>	<u>2,979,568</u>	<u>1,445,744</u>	<u>1,930</u>	<u>402,876</u>	<u>4,068,669</u>	<u>21,591,634</u>
Total liabilities and fund balances	<u>\$ 7,723,485</u>	<u>\$ 6,743,511</u>	<u>\$ 3,171,328</u>	<u>\$ 4,465,711</u>	<u>\$ 2,585,207</u>	<u>\$ 2,042,362</u>	<u>\$ 4,068,669</u>	<u>\$ 30,800,273</u>

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

CITY OF BROUSSARD, LOUISIANA

Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
June 30, 2017

Total fund balances for governmental funds at June 30, 2017	\$21,591,634
Total net position reported for governmental activities in the statement of net position is different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of:	
Land	\$ 339,813
Construction in progress	48,806,295
Buildings and improvements, net of \$1,313,478 accumulated depreciation	1,838,206
Equipment and vehicles, net of \$2,602,231 accumulated depreciation	1,016,108
Infrastructure, net of \$3,946,834 accumulated depreciation	<u>8,777,634</u>
	60,778,056
The deferred loss on bond refunding is not an available resource, and therefore, is not reported in the funds	
	635,128
Long-term liabilities at June 30, 2017:	
Bonds payable	(48,011,001)
Compensated absences payable	(340,831)
Accrued interest payable	<u>(275,512)</u>
	<u>(48,627,344)</u>
Total net position of governmental activities at June 30, 2017	<u>\$34,377,474</u>

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

CITY OF BROUSSARD, LOUISIANA

Statement of Revenues, Expenditures and Changes in Fund Balances -
Governmental Funds
For the Year Ended June 30, 2017

	General	1992 Sales Tax	TIF Sales Tax	2011 Recreational Sales Tax	Park Capital Projects	LCDBG/Streets Capital Projects	Other Governmental Funds	Total
Revenues:								
Taxes	\$ 5,906,960	\$ 4,838,729	\$ 620,498	\$ 2,416,820	\$ -	\$ -	\$ -	\$13,783,007
Licenses and permits	1,541,271	-	-	-	-	-	-	1,541,271
Intergovernmental	430,280	-	-	-	-	-	-	430,280
Fine and forfeits	260,563	-	-	-	-	-	-	260,563
Interest	16,911	6,529	3,516	4,526	11,605	4,832	19,202	67,121
Miscellaneous	97,678	-	-	-	-	80,000	-	177,678
Total revenues	8,253,663	4,845,258	624,014	2,421,346	11,605	84,832	19,202	16,259,920
Expenditures:								
Current -								
General government	2,042,023	70,111	14,858	30,653	20,152	9,104	-	2,186,901
Public safety	3,534,537	-	-	-	-	-	-	3,534,537
Streets and drainage	2,383,897	-	-	-	-	-	-	2,383,897
Debt service	-	-	-	-	-	-	3,282,925	3,282,925
Capital outlay	871,362	-	232,435	-	15,084,861	4,217,539	-	20,406,197
Total expenditures	8,831,819	70,111	247,293	30,653	15,105,013	4,226,643	3,282,925	31,794,457
Excess (deficiency) of revenues over expenditures	(578,156)	4,775,147	376,721	2,390,693	(15,093,408)	(4,141,811)	(3,263,723)	(15,534,537)
Other financing sources (uses):								
Transfers in	1,236,853	-	-	-	8,886,000	1,000,000	3,656,804	14,779,657
Transfers out	(349,488)	(5,574,930)	(955,581)	(9,788,727)	-	(786,000)	-	(17,454,726)
Total other financing sources (uses)	887,365	(5,574,930)	(955,581)	(9,788,727)	8,886,000	214,000	3,656,804	(2,675,069)
Net change in fund balances	309,209	(799,783)	(578,860)	(7,398,034)	(6,207,408)	(3,927,811)	393,081	(18,209,606)
Fund balances - beginning	7,068,493	6,114,928	3,558,428	8,843,778	6,209,338	4,330,687	3,675,588	39,801,240
Fund balances - ending	\$ 7,377,702	\$ 5,315,145	\$ 2,979,568	\$ 1,445,744	\$ 1,930	\$ 402,876	\$ 4,068,669	\$21,591,634

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

CITY OF BROUSSARD, LOUISIANA

Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended June 30, 2017

Total net changes in fund balances at June 30, 2017 per
Statement of Revenues, Expenditures and Changes in Fund Balances \$ (18,209,606)

The change in net position reported for governmental activities in the
statement of activities is different because:

Governmental funds report capital outlays as expenditures. However,
in the statement of activities, the cost of those assets is allocated over
their estimated useful lives and reported as depreciation expense.

Capital outlay which is considered expenditures on Statement of Revenues, Expenditures and Changes in Fund Balances	\$20,108,697	
Depreciation expense for the year ended June 30, 2017	<u>(798,108)</u>	\$ 19,310,589

Bond proceeds are reported as financing sources in governmental funds
and thus contribute to the change in fund balance. In the statement of
net position, however, issuing debt increases long-term liabilities and
does not affect the statement of activities. Similarly, principal
payments are recorded as expenditures in the governmental funds but
reduce the liability in the statement of net position. Also, governmental
funds report the effect of premiums, discounts, and similar items when
debt is first issued, whereas these amounts are deferred and amortized
in the statement of activities:

Principal payments	1,446,337	
Amortization of bond premium	83,507	
Loss on refunding amortized	<u>(103,281)</u>	1,426,563

Difference between interest on long-term debt on modified accrual basis versus interest on long-term debt on accrual basis		18,315
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Some expenses reported in the statement of activities do not require the
use of current financial resources and, therefore, are not reported as
expenditures in governmental funds.

Compensated absences		<u>(9,894)</u>
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Total changes in net position at June 30, 2017 per Statement of Activities		<u>\$ 2,535,967</u>
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The accompanying notes are an integral part of the basic financial statements.

CITY OF BROUSSARD, LOUISIANA

Combined Statement of Net Position

Proprietary Funds

June 30, 2017

	Utility Fund	Sports Complex Fund	Total
ASSETS			
Current assets:			
Cash and interest-bearing deposits	\$ 157,284	\$ 4,765	\$ 162,049
Accounts receivable, net	415,453	-	415,453
Due from other funds	5,421	22,000	27,421
Prepaid insurance	56,435	16,416	72,851
Total current assets	<u>634,593</u>	<u>43,181</u>	<u>677,774</u>
Noncurrent assets:			
Restricted assets -			
Cash and interest-bearing deposits	304,530	-	304,530
Capital assets -			
Land and construction in progress	7,140,123	12,387	7,152,510
Capital assets, net	21,411,501	-	21,411,501
Total noncurrent assets	<u>28,856,154</u>	<u>12,387</u>	<u>28,868,541</u>
Total assets	<u>29,490,747</u>	<u>55,568</u>	<u>29,546,315</u>
LIABILITIES			
Current liabilities:			
Accounts payable	119,406	7,811	127,217
Contracts payable	146,983	-	146,983
Retainage payable	63,898	-	63,898
Accrued expenses	12,030	-	12,030
Due to other funds	435	35,000	35,435
Total current liabilities	<u>342,752</u>	<u>42,811</u>	<u>385,563</u>
Noncurrent liabilities:			
Customers' deposits (payable from restricted assets)	304,530	-	304,530
Compensated absences payable	97,051	-	97,051
Total noncurrent liabilities	<u>401,581</u>	<u>-</u>	<u>401,581</u>
Total liabilities	<u>744,333</u>	<u>42,811</u>	<u>787,144</u>
NET POSITION			
Net investment in capital assets	28,340,743	12,387	28,353,130
Unrestricted	405,671	370	406,041
Total net position	<u>\$28,746,414</u>	<u>\$ 12,757</u>	<u>\$ 28,759,171</u>

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

CITY OF BROUSSARD, LOUISIANA

Combined Statement of Revenues, Expenses and Changes in Fund Net Position
 Proprietary Funds
 For the Year Ended June 30, 2017

	Utility Fund	Sports Complex Fund	Total
Operating revenues:			
Charges for services	\$ 2,707,097	\$ -	\$ 2,707,097
Miscellaneous	<u>525,047</u>	<u>-</u>	<u>525,047</u>
Total operating revenues	<u>3,232,144</u>	<u>-</u>	<u>3,232,144</u>
Operating expenses:			
Water	2,299,270	-	2,299,270
Sewer	1,860,945	-	1,860,945
Garbage	936,516	-	936,516
Sports Complex	<u>-</u>	<u>336,731</u>	<u>336,731</u>
Total operating expenses	<u>5,096,731</u>	<u>336,731</u>	<u>5,433,462</u>
Loss from operations	(1,864,587)	(336,731)	(2,201,318)
Nonoperating revenues:			
Interest earned	<u>714</u>	<u>-</u>	<u>714</u>
Loss before capital contributions and transfers	<u>(1,863,873)</u>	<u>(336,731)</u>	<u>(2,200,604)</u>
Capital contributions	<u>185,292</u>	<u>-</u>	<u>185,292</u>
Transfers in:			
Transfers from General Fund	-	349,488	349,488
Transfers from 1992 Sales Tax Fund	1,370,000	-	1,370,000
Transfers from TIF Sales Tax Fund	<u>955,581</u>	<u>-</u>	<u>955,581</u>
Total transfers	<u>2,325,581</u>	<u>349,488</u>	<u>2,675,069</u>
Change in net position	647,000	12,757	659,757
Net position, beginning	<u>28,099,414</u>	<u>-</u>	<u>28,099,414</u>
Net position, ending	<u>\$28,746,414</u>	<u>\$ 12,757</u>	<u>\$28,759,171</u>

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

CITY OF BROUSSARD, LOUISIANA

Combined Statement of Cash Flows
 Proprietary Funds
 For the Year Ended June 30, 2017

	Utility Fund	Sports Complex Fund	Total
Cash flows from operating activities:			
Receipts from customers	\$ 2,674,010	\$ -	\$ 2,674,010
Payments to suppliers	(3,036,126)	(164,459)	(3,200,585)
Payments of employees	(998,530)	(180,877)	(1,179,407)
Other income	<u>525,047</u>	<u>-</u>	<u>525,047</u>
Net cash used by operating activities	<u>(835,599)</u>	<u>(345,336)</u>	<u>(1,180,935)</u>
Cash flows from noncapital financing activities:			
Cash received from other funds	7,873	13,000	20,873
Transfers in from other funds	<u>2,325,581</u>	<u>349,488</u>	<u>2,675,069</u>
Net cash provided by noncapital financing activities	<u>2,333,454</u>	<u>362,488</u>	<u>2,695,942</u>
Cash flows from capital and related financing activities:			
Net increase in customer deposits payable	38,100	-	38,100
Capital contributions	185,292	-	185,292
Acquisition of capital assets	<u>(1,735,794)</u>	<u>(12,387)</u>	<u>(1,748,181)</u>
Net cash used by capital and related financing activities	<u>(1,512,402)</u>	<u>(12,387)</u>	<u>(1,524,789)</u>
Cash flows from investing activities:			
Interest on cash and investments	<u>714</u>	<u>-</u>	<u>714</u>
Net increase (decrease) in cash	(13,833)	4,765	(9,068)
Cash, beginning of period	<u>475,647</u>	<u>-</u>	<u>475,647</u>
Cash, end of period	<u>\$ 461,814</u>	<u>\$ 4,765</u>	<u>\$ 466,579</u>
Reconciliation of operating loss to net cash used by operating activities			
Operating loss	\$ (1,864,587)	(336,731)	\$(2,201,318)
Adjustments to reconcile operating loss to net cash used by operating activities -			
Depreciation	1,067,126	-	1,067,126
Changes in assets and liabilities -			
Accounts receivable	(33,087)	-	(33,087)
Prepaid insurance	(10,252)	(16,416)	(26,668)
Accounts payable	2,014	7,811	9,825
Accrued expenses	2,973	-	2,973
Compensated absences payable	<u>214</u>	<u>-</u>	<u>214</u>
Net cash used by operating activities	<u>\$ (835,599)</u>	<u>\$(345,336)</u>	<u>\$ (23,695)</u>

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

CITY OF BROUSSARD, LOUISIANA

Notes to Basic Financial Statements

(1) Summary of Significant Accounting Policies

The accompanying financial statements of the City of Broussard (City) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this note.

A. Financial Reporting Entity

The City of Broussard was incorporated in 1884 under the provisions of the Lawrason Act. The City operates under the Mayor-Board of Aldermen form of government.

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

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

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

CITY OF BROUSSARD, LOUISIANA

Notes to Basic Financial Statements (Continued)

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

Broussard Fire Department

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

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

Broussard Economic Development Corporation

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

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

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

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

B. Basis of Presentation

Government-Wide Financial Statements (GWFS)

The statement of net position and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

CITY OF BROUSSARD, LOUISIANA

Notes to Basic Financial Statements (Continued)

The statement of activities presents a comparison between direct expenses and program revenues for the business-type activities of the City and for each function of the City's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements

The accounts of the City are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

The various funds of the City are classified into two categories: governmental and proprietary. The emphasis on fund financial statements is on major governmental and proprietary funds, each displayed in a separate column. All remaining funds are aggregated and reported as nonmajor funds.

A fund is considered major if it is the primary operating fund of the City or meets the following criteria:

- a. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and
- b. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The major funds of the City are described below:

Governmental Funds-

General Fund

The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund. Additionally, it is used to account for the receipt and use of the proceeds of the City's 1975 one percent sales and use tax. These taxes may be used for any lawful public purpose.

CITY OF BROUSSARD, LOUISIANA

Notes to Basic Financial Statements (Continued)

Special Revenue Funds

1992 Sales Tax Fund -

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

TIF Sales Tax Fund -

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

2011 Recreational Sales Tax Fund -

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

Capital Projects Funds

Park Capital Projects Fund -

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

LCDBG/Streets Capital Projects Fund -

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

CITY OF BROUSSARD, LOUISIANA

Notes to Basic Financial Statements (Continued)

Proprietary Funds -

Enterprise Funds

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

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

Debt Service Funds --

The debt service funds are used to accumulated monies for payment of the City's various sales tax bonds, which are being financed by the 1975, 1992, and 2011 sales taxes revenues.

C. Measurement Focus/Basis of Accounting

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

Measurement Focus

On the government-wide statement of net position and the statement of activities, both governmental and business-type activities are presented using the economic resources measurement focus as defined in item b. below.

In the fund financial statements, the "current financial resources" measurement focus or the "economic resources" measurement focus is used as appropriate:

- a. All governmental funds utilize a "current financial resources" measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.
- b. The proprietary funds utilize an "economic resources" measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Proprietary fund equity is classified as net position.

CITY OF BROUSSARD, LOUISIANA

Notes to Basic Financial Statements (Continued)

Basis of Accounting

In the government-wide statement of net position and statement of activities, both governmental and business-type activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures (including capital outlay) generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

The proprietary funds utilize the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used.

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows and Equity

Cash and interest-bearing deposits

For purposes of the statement of net position, cash and interest-bearing deposits include all demand accounts, savings accounts, and certificates of deposits of the City. For the purpose of the proprietary funds' statement of cash flows, "cash and cash equivalents" include all demand and savings accounts and certificates of deposits with an original maturity of three months or less.

Interfund receivables and payables

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

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

CITY OF BROUSSARD, LOUISIANA

Notes to Basic Financial Statements (Continued)

Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Major receivable balances for the governmental activities include sales and use taxes, franchise taxes, and grant funds. Business-type activities report customer's utility service receivables as their major receivables. Allowances for uncollectible accounts receivable are based on historical trends and the periodic aging of accounts receivable. The allowance for uncollectible utility receivables was \$4,050 at June 30, 2017. Unbilled utility service receivables resulting from utility services rendered between the date of meter reading and billing and the end of the month, are recorded at year-end.

Capital Assets

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

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

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Prior to the adoption of GASB 34, the City did not have a complete listing of infrastructure. At that time, the City began accumulating infrastructure information prospectively.

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

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

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

CITY OF BROUSSARD, LOUISIANA

Notes to Basic Financial Statements (Continued)

Restricted Assets

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

Long-term debt

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

All long-term debt to be repaid from governmental and business-type resources is reported as liabilities in the government-wide statements. The long-term debt consists primarily of the revenue bonds payable and utility meter deposits payable.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as expenditures. The accounting for proprietary fund long-term debt is the same in the fund statements as it is in the government-wide statements.

Compensated Absences

Unused vacation is paid at the end of each calendar year. Unused sick leave up to 60 days may be carried over, with up to 30 days of the accumulated balance payable at termination of employment. At June 30, 2017, the City has \$437,882 of noncurrent accumulated leave benefits required to be reported in accordance with GASB Statement No. 16 "Accounting for Compensated Absences".

Deferred Outflows of Resources and Deferred Inflows of Resources

In some instances, the GASB requires a government to delay recognition of decreases in net position as expenditures until a future period. In other instances governments are required to delay recognition of increases in net position as revenues until a future period. In these circumstances, deferred outflows of resources and deferred inflows of resources result from the delayed recognition of expenditures or revenues, respectively. Deferred outflows at June 30, 2017 resulted from the loss on the bond refunding. There were no deferred inflows of resources as of June 30, 2017.

CITY OF BROUSSARD, LOUISIANA

Notes to Basic Financial Statements (Continued)

Equity Classifications

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

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

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

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

CITY OF BROUSSARD, LOUISIANA

Notes to Basic Financial Statements (Continued)

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

Proprietary (Utility and Sports Complex) fund equity is classified the same as in the government-wide statements.

E. Revenues, Expenditures, and Expenses

Operating Revenues and Expenses

Operating revenues and expenses for proprietary funds are those that result from providing services and producing and delivering goods and/or services. It also includes all revenue and expenses not related to capital and related financing, noncapital financing, or investing activities.

Expenditures/Expenses

In the government-wide financial statements, expenses are classified by function for both governmental and business-type activities.

In the fund financial statements, expenditures are classified as follows:

Governmental Funds - By Character
Proprietary Funds - By Operating and Nonoperating

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

Interfund Transfers

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

F. Revenue Restrictions

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

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

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

CITY OF BROUSSARD, LOUISIANA

Notes to Basic Financial Statements (Continued)

G. Capitalization of Interest Expense

It is the policy of the City of Broussard to capitalize material amounts of interest resulting from borrowings in the course of the construction of capital assets in the proprietary funds. At June 30, 2017, there were no borrowings for assets under construction and no capitalized interest expense was recorded on the books.

H. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

(2) Cash and Interest-Bearing Deposits

Under state law, the City may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The City may invest in certificates and time deposits of the state banks organized under Louisiana law and national banks having principal offices in Louisiana. At June 30, 2017, the City had cash and interest-bearing deposits (book balances) totaling \$22,172,184 as follows:

Non interest-bearing deposits	\$ 549,955
Interest-bearing deposits	19,830,683
Time deposits	<u>1,791,546</u>
Total	<u>\$ 22,172,184</u>

Custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution, the City's deposits may not be recovered or will not be able to recover collateral securities that are in the possession of an outside party. These deposits are stated at cost, which approximates market. Under state law, these deposits, (or the resulting bank balances) must be secured by federal deposit insurance or similar federal security or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the City or the pledging fiscal agent bank by a holding or custodial bank that is mutually acceptable to both parties.

Deposit balances (bank balances) at June 30, 2017, which are required to be secured are as follows:

Bank balances	<u>\$ 22,966,325</u>
Federal deposit insurance	1,500,758
Pledged securities	<u>21,465,567</u>
Total insured and secured bank balances	<u>\$ 22,966,325</u>

CITY OF BROUSSARD, LOUISIANA

Notes to Basic Financial Statements (Continued)

Deposits in the amount of \$21,465,567 were exposed to custodial credit risk. These deposits are uninsured and collateralized with securities held by the pledging institution's trust department or agent, but not in the City's name. Even though the pledged securities are considered uncollateralized, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the City that the fiscal agent has failed to pay deposited funds upon demand. The City does not have a policy for custodial credit risk.

(3) Receivables

Receivables at June 30, 2017 consisted of the following:

	General	Sales Tax	Debt		Total
			Service	Utility	
Accounts	\$ -	\$ -	\$ -	\$ 339,685	\$ 339,685
Unbilled utility	-	-	-	75,768	75,768
1975 1% sales taxes	875,729	-	-	-	875,729
1992 1% sales taxes	-	875,729	-	-	875,729
TIF sales taxes	-	155,480	-	-	155,480
2011 1/2% sales taxes	-	440,462	-	-	440,462
Franchise taxes	174,301	-	-	-	174,301
Other	5,259	-	418	-	5,677
Totals	<u>\$1,055,289</u>	<u>\$1,471,671</u>	<u>\$ 418</u>	<u>\$ 415,453</u>	<u>\$ 2,942,831</u>

(4) Due from Other Governmental Units

Due from other governmental units at June 30, 2017 consisted of the following:

General Fund:

Amount due from State of Louisiana for beer tax revenue earned through June 2017	\$ 4,636
Amount due from State of Louisiana for video poker revenue earned through June 2017	8,240
Amount due from State of Louisiana for grass cutting revenue earned through June 2017	<u>1,785</u>
Total General Fund	14,661

2011 Recreational Sales Tax Fund:

Amount due from the Lafayette Parish School System Sales Tax Office for sales tax revenues collected for prior years which were not properly remitted	14,345
Total	<u>\$29,006</u>

CITY OF BROUSSARD, LOUISIANA

Notes to Basic Financial Statements (Continued)

(5) Capital Assets

Capital asset activity for the year ended June 30, 2017 follows:

	Balance 07/01/16	Additions	Deletions	Balance 06/30/17
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 339,813	\$ -	\$ -	\$ 339,813
Construction in progress	29,968,081	19,551,919	713,705	48,806,295
Other capital assets:				
Buildings and improvements	3,118,739	33,625	680	3,151,684
Equipment and vehicles	3,143,023	523,153	47,837	3,618,339
Infrastructure	12,010,763	713,705	-	12,724,468
Totals	<u>48,580,419</u>	<u>20,822,402</u>	<u>762,222</u>	<u>68,640,599</u>
Less accumulated depreciation				
Buildings and improvements	1,197,698	116,460	680	1,313,478
Equipment and vehicles	2,413,607	236,461	47,837	2,602,231
Infrastructure	3,501,647	445,187	-	3,946,834
Total accumulated depreciation	<u>7,112,952</u>	<u>798,108</u>	<u>48,517</u>	<u>7,862,543</u>
Governmental activities, capital assets, net	<u>\$41,467,467</u>	<u>\$ 20,024,294</u>	<u>\$ 713,705</u>	<u>\$ 60,778,056</u>
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 1,021,385	\$ 23,131	\$ -	\$ 1,044,516
Construction in progress:				
Utility Fund	5,289,465	1,951,665	1,145,522	6,095,608
Sports Complex Fund	-	12,387	-	12,387
Other capital assets:				
Plant and equipment - water system	10,829,486	-	331,047	10,498,439
Plant and equipment - sewer system	22,220,133	1,210,622	-	23,430,755
Autos and office equipment	1,046,296	99,301	-	1,145,597
Totals	<u>40,406,765</u>	<u>3,297,106</u>	<u>1,476,569</u>	<u>42,227,302</u>
Less accumulated depreciation				
Plant and equipment - water system	6,530,179	294,499	-	6,824,678
Plant and equipment - sewer system	5,387,395	703,693	-	6,091,088
Autos and office equipment	678,591	68,934	-	747,525
Total accumulated depreciation	<u>12,596,165</u>	<u>1,067,126</u>	<u>-</u>	<u>13,663,291</u>
Business-type activities, capital assets, net	<u>\$27,810,600</u>	<u>\$ 2,229,980</u>	<u>\$1,476,569</u>	<u>\$ 28,564,011</u>

CITY OF BROUSSARD, LOUISIANA

Notes to Basic Financial Statements (Continued)

Depreciation expense was charged to governmental activities as follows:

General government	\$ 124,404
Public safety	156,792
Streets	506,985
Parks	<u>9,927</u>
Total depreciation expense - governmental activities	<u>\$ 798,108</u>

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

Water system	\$ 319,151
Sewer system	<u>747,975</u>
Total depreciation expense - business-type activities	<u>\$ 1,067,126</u>

Construction in progress in the governmental activities in the amount of \$48,806,295 consists mainly of approximately \$36,930,000 of costs relative to the St. Julien Park Sports Complex. The project is substantially complete as of June 30, 2017 and the assets will be transferred to the Sports Complex Fund during fiscal year ended June 30, 2018. The remaining balance of approximately \$11,876,000 includes costs for various street improvement and extension projects. Construction in progress in the business-type activities in the amount of \$6,095,608 consists of costs incurred through June 30, 2017 for various water and sewer improvement projects.

(6) Restricted Assets

Restricted assets consisted of the following at June 30, 2017:

	Governmental Activities	Business-Type Activities	Total
1998 revenue bond and interest sinking fund	\$ 85,584	\$ -	\$ 85,584
2008 and 2015 revenue bond and interest sinking fund	478,803	-	478,803
2011 DEQ bond and interest sinking fund	150,793	-	150,793
2012 revenue bond and interest sinking	394,215	-	394,215
2016 revenue bond and interest sinking	950,264	-	950,264
1998 revenue bond depreciation and contingency fund	16,233	-	16,233
1998 revenue bond reserve fund	84,312	-	84,312
2015 revenue bond reserve fund	200,813	-	200,813
2011 DEQ bond reserve fund	263,075	-	263,075
2012 revenue bond reserve fund	1,035,763	-	1,035,763
2016 revenue bond reserve fund	408,814	-	-
Customers' deposits	-	<u>304,530</u>	<u>304,530</u>
Total restricted assets	<u>\$ 4,068,669</u>	<u>\$ 304,530</u>	<u>\$ 4,373,199</u>

CITY OF BROUSSARD, LOUISIANA

Notes to Basic Financial Statements (Continued)

(7) Accounts, Salaries and Other Payables

Accounts, salaries, and other payables consisted of the following at June 30, 2017:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Accounts	\$ 164,543	\$ 127,217	\$ 291,760
Accrued payroll	60,173	12,030	72,203
Collection fees payable	20,989	-	20,989
Contracts	745,225	146,983	892,208
Retainage	<u>1,706,205</u>	<u>63,898</u>	<u>1,770,103</u>
Totals	<u>\$ 2,697,135</u>	<u>\$ 350,128</u>	<u>\$ 3,047,263</u>

(8) Due to Other Governments

Due to other governments at June 30, 2017 in the amount of \$166,338 consists of \$83,169 for 1975 sales taxes (accounted for in the General Fund) and \$83,169 for 1992 sales taxes due to the Lafayette Parish School System Sales Tax Office for sales taxes erroneously remitted to the City.

(9) Long-Term Liabilities

The following is a summary of long-term liabilities transactions of the City for the year ended June 30, 2017:

	<u>Governmental Activities</u>		<u>Business-type Activities</u>
	<u>Revenue</u>	<u>Compensated</u>	<u>Compensated</u>
	<u>Bonds</u>	<u>Absences</u>	<u>Absences</u>
Long-term liabilities, July 1, 2016	\$ 47,680,668	\$ 330,937	\$ 96,837
Additions	-	25,245	2,760
Deletions	<u>(1,446,337)</u>	<u>(15,351)</u>	<u>(2,546)</u>
Long-term liabilities, June 30, 2017	<u>\$ 46,234,331</u>	<u>\$ 340,831</u>	<u>\$ 97,051</u>

Revenue bonds payable at June 30, 2017 is comprised of the following:

	<u>Total</u>	<u>Current Portion</u>
\$995,000 May 28, 1998 Sales Tax Bonds, Series A due in monthly installments of \$5,801 through May 28, 2023; interest at 4.75 percent payable from the 1% 1975 sales tax revenues.	\$ 356,702	\$ 53,829
\$8,165,000 December 31, 2008 Public Improvement Sales Tax Revenue Bonds, Series 2008 (unrefunded portion) due in 2 annual installments of \$185,000 and \$190,000 through May 1, 2018; interest at 4.05% to 4.125%; secured by a pledge of and payable solely from the proceeds of the 1% 1992 sales tax revenues.	190,000	190,000

CITY OF BROUSSARD, LOUISIANA

Notes to Basic Financial Statements (Continued)

(9) Long-Term Liabilities (Continued)

	<u>Total</u>	<u>Current Portion</u>
\$4,000,000 2011 Sales Tax Bonds due in annual installments of \$95,000 to \$110,000 through May 1, 2032; interest at .95%; secured by a pledge of and payable solely from the proceeds of the 1% 1992 sales tax revenues.	2,112,629	95,000
\$9,225,000 Sales Tax Refunding Bonds, Series 2015, due in annual installments ranging from \$135,000 through \$540,000 through May 1, 2038; interest at 2.0%-5.0%; secured by a pledge of and payable solely from the proceeds of the 1% 1992 sales tax revenues.	8,530,000	135,000
\$7,855,000 Sales Tax Refunding Bonds, Series 2016, due in annual installments of \$290,000 to \$545,000 through May 1, 2037; interest at 2%-4%; secured by a pledge of and payable solely from the proceeds of the 1% 1992 sales tax revenues.	7,855,000	290,000
\$17,205,000 Recreational Facility Sales Tax Revenue Bonds, Series 2012 due in annual installments of \$210,000 to \$950,000 through May 1, 2042; interest at 1% to 5%; secured by a pledge of and payable solely from the proceeds of the 1/2% 2011 sales tax revenues.	15,545,000	390,000
\$12,000,000 Recreational Facility Sales Tax Revenue Bonds, Series 2015 due in annual installments of \$140,000 to \$830,000 through May 1, 2045; interest at 2% to 5%; secured by a pledge of and payable solely from the proceeds of the 1/2% 2011 sales tax revenues.	<u>11,645,000</u>	<u>220,000</u>
Total revenue bonds payable	46,234,331	<u>\$ 1,373,829</u>
Add: unamortized bond premium	<u>1,776,670</u>	
Net revenue bonds payable	<u>\$ 48,011,001</u>	

The annual debt service requirements to maturity for all bonds payable as of June 30, 2017, are as follows:

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>
2018	\$ 1,373,829	\$ 1,783,191
2019	1,416,442	1,743,216
2020	1,459,182	1,695,526
2021	1,517,055	1,638,653
2022	1,560,068	1,587,390
2023-2027	8,415,125	7,039,855
2028-2032	10,147,630	5,342,478
2033-2037	10,415,000	3,218,438
2038-2042	7,540,000	1,351,912
2043-2045	<u>2,390,000</u>	<u>193,800</u>
	<u>\$ 46,234,331</u>	<u>\$ 25,594,459</u>

CITY OF BROUSSARD, LOUISIANA

Notes to Basic Financial Statements (Continued)

(10) Prior Year Defeasance of Debt

During the prior year, the City defeased \$7,975,000 of Public Improvement Sales Tax Revenue Bonds, Series 2007 and \$6,555,000 of Public Improvement Sales Tax Revenue Bonds, Series 2008 by purchasing U.S. Government securities and creating separate irrevocable trust funds with an escrow agent. The investments and fixed earnings from the investments are sufficient to fully service the defeased debt until the debt is called or matures. For financial reporting purposes, the debt has been considered defeased and therefore, has been removed as a liability from the City's financial statements. As of June 30, 2017, the amount of defeased sales tax revenue debt outstanding but removed from the financial statements amounts to \$7,975,000 of Series 2007 sales tax revenue bonds and \$6,555,000 of Series 2008 sales tax revenue bonds.

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

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

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

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

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

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

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

CITY OF BROUSSARD, LOUISIANA

Notes to Basic Financial Statements (Continued)

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

The City complied with all significant financial requirements of the bond ordinance as of June 30, 2017.

All of the above sales taxes were issued in perpetuity.

(12) Retirement and Deferred Compensation

A. Employees of the City are members of the Social Security System. The City and its employees contribute a percentage of each employee's salary to the System (7.65 percent by the City; 7.65 percent by the employee). The City's contributions during the years ended 2017, 2016, and 2015, amounted to \$292,322, \$296,710 and \$297,376 respectively.

B. The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code (IRC) Section 457. The single employer plan, the Town of Broussard Deferred Compensation Plan, is administered by the Hartford, is available to all City employees, and permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. The City contributes 8% to 12% of wages to each participating employee account based on years of service. For the year ended June 30, 2017, the City and employees contributed \$289,354 and \$135,285 respectively. The City's contributions are not mandatory.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are (until paid or made available to the employee or other beneficiary) held in a trust, custodial account or annuity contract described in IRC 457(g) for the exclusive benefit of the participants and their beneficiaries. The fair market value of the deferred compensation plan assets at June 30, 2017 was \$3,546,337.

(13) On-Behalf Payments of Salaries

The State of Louisiana paid the City's policemen \$150,667 of supplemental pay during the year ended June 30, 2017. That amount is included in the accompanying financial statements as intergovernmental revenues and police expense in the government-wide statement of activities.

CITY OF BROUSSARD, LOUISIANA

Notes to Basic Financial Statements (Continued)

(14) Interfund Transactions

A. Interfund receivables and payables consisted of the following at June 30, 2017:

	<u>Receivable</u>	<u>Payable</u>
Major funds:		
Governmental funds:		
General Fund	\$ 939,203	\$ 27,420
1992 Sales Tax Special Revenue Fund	1,257,077	1,336,853
TIF Sales Tax Special Revenue Fund	-	183,462
2011 Recreational Sales Tax Special Revenue Fund	95,954	3,016,077
Park Capital Projects Fund	2,580,000	717,556
LCDBG/Streets Capital Projects Fund	1,480,946	1,063,798
Proprietary funds:		
Utility Fund	5,421	435
Sports Complex Fund	22,000	35,000
Total	<u>\$6,380,601</u>	<u>\$6,380,601</u>

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

B. Interfund transfers consisted of the following at June 30, 2017:

	<u>Transfers In</u>	<u>Transfers Out</u>
Major funds:		
Governmental funds:		
General Fund	\$ 1,236,853	\$ 349,488
1992 Sales Tax Special Revenue Fund	-	5,574,930
TIF Sales Tax Special Revenue Fund	-	955,581
2011 Recreational Sales Tax Special Revenue Fund	-	9,788,727
Park Capital Projects Fund	8,886,000	
LCDBG/Streets Capital Projects Fund	1,000,000	786,000
Proprietary funds:		
Utility Fund	2,325,581	-
Sports Complex Fund	349,488	-
Non-major funds - debt service funds	3,656,804	-
Total	<u>\$ 17,454,726</u>	<u>\$ 17,454,726</u>

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

CITY OF BROUSSARD, LOUISIANA

Notes to Basic Financial Statements (Continued)

(15) Compensation of Mayor and Aldermen

A detail of compensation paid to the Mayor and Alderman for the year ended June 30, 2017 follows:

Charles Langlinais, Mayor	\$ 72,468
Aldermen:	
Gertrude Baltise	18,000
David Bonin	18,000
Raymond Bourque	18,080
Johnnie Foco	24,000
Ray Gary	18,000
Kenny Higginbotham	18,200
Angelique Racca	18,000
	\$ 204,748

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

The schedule of compensation, benefits, and other payments to Charles Langlinais, Mayor, for the year ended June 30, 2017 follows:

Salary	\$72,468
Benefits - insurance	7,114
Benefits - retirement	8,429
Travel	1,527
Special meals	253
Other (vehicle gas expense)	3,855
	\$93,646

(17) Risk Management

The City is exposed to risks of loss in the areas of general and auto liability, property hazards, and workers' compensation. Those risks are handled by purchasing commercial insurance. There have been no significant reductions in insurance coverage during the current fiscal year. Settlements have not exceeded insurance coverage during the three year period ended June 30, 2017.

(18) Litigation and Claims

At June 30, 2017, the City was involved in several lawsuits claiming damages. In the opinion of the City's legal counsel, the only exposure to the City would be any costs in defense of the lawsuits with no liability in excess of insurance coverage.

**REQUIRED
SUPPLEMENTARY INFORMATION**

CITY OF BROUSSARD, LOUISIANA
General Fund

Budgetary Comparison Schedule
For the Year Ended June 30, 2017

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 6,050,000	\$ 5,567,635	\$ 5,906,960	\$ 339,325
Licenses and permits	1,467,000	1,459,769	1,541,271	81,502
Intergovernmental	324,470	476,827	430,280	(46,547)
Fines and forfeits and seizures	330,000	254,382	260,563	6,181
Miscellaneous	<u>85,100</u>	<u>104,195</u>	<u>114,589</u>	<u>10,394</u>
Total revenues	<u>8,256,570</u>	<u>7,862,808</u>	<u>8,253,663</u>	<u>390,855</u>
Expenditures:				
Current -				
General government	2,016,028	1,977,098	2,042,023	(64,925)
Public safety:				
Police	2,531,100	2,400,748	2,474,346	(73,598)
Fire	1,045,824	1,071,623	1,060,191	11,432
Streets and drainage	2,575,280	2,262,489	2,383,897	(121,408)
Capital outlay	<u>359,660</u>	<u>987,520</u>	<u>871,362</u>	<u>116,158</u>
Total expenditures	<u>8,527,892</u>	<u>8,699,478</u>	<u>8,831,819</u>	<u>(132,341)</u>
Deficiency of revenue over expenditures	<u>(271,322)</u>	<u>(836,670)</u>	<u>(578,156)</u>	<u>258,514</u>
Other financing sources (uses):				
Transfers from 1992 Sales Tax Fund	1,500,000	1,400,000	1,236,853	(163,147)
Transfer to Park Capital Projects Fund	(125,000)	-	-	-
Transfer to Sports Complex Fund	(599,220)	(400,000)	(349,488)	50,512
Transfer to LCDBG/Streets Fund	<u>(150,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>625,780</u>	<u>1,000,000</u>	<u>887,365</u>	<u>(112,635)</u>
Net change in fund balance	354,458	163,330	309,209	145,879
Fund balance, beginning	<u>7,068,493</u>	<u>7,068,493</u>	<u>7,068,493</u>	<u>-</u>
Fund balance, ending	<u>\$ 7,422,951</u>	<u>\$ 7,231,823</u>	<u>\$ 7,377,702</u>	<u>\$ 145,879</u>

CITY OF BROUSSARD, LOUISIANA
1992 Sales Tax Special Revenue Fund

Budgetary Comparison Schedule
For the Year Ended June 30, 2017

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes -				
Sales taxes - 1%	\$ 5,000,000	\$ 4,513,860	\$ 4,838,729	\$ 324,869
Miscellaneous -				
Interest	<u>2,300</u>	<u>2,410</u>	<u>6,529</u>	<u>4,119</u>
Total revenues	<u>5,002,300</u>	<u>4,516,270</u>	<u>4,845,258</u>	<u>328,988</u>
Expenditures:				
Current -				
General government:				
Collection fees	38,983	51,706	50,821	885
Professional fees	<u>35,000</u>	<u>20,690</u>	<u>19,290</u>	<u>1,400</u>
Total expenditures	<u>73,983</u>	<u>72,396</u>	<u>70,111</u>	<u>2,285</u>
Excess of revenues over expenditures	<u>4,928,317</u>	<u>4,443,874</u>	<u>4,775,147</u>	<u>331,273</u>
Other financing uses:				
Transfers to General Fund	(1,500,000)	(1,400,000)	(1,236,853)	163,147
Transfers to Utility Fund	(700,000)	(1,500,000)	(1,370,000)	130,000
Transfers to debt service funds	(1,665,340)	(1,616,367)	(1,968,077)	(351,710)
Transfers to LCDBG/Streets Fund	<u>(735,000)</u>	<u>(1,221,000)</u>	<u>(1,000,000)</u>	<u>221,000</u>
Total other financing uses	<u>(4,600,340)</u>	<u>(5,737,367)</u>	<u>(5,574,930)</u>	<u>162,437</u>
Net change in fund balance	327,977	(1,293,493)	(799,783)	493,710
Fund balance, beginning	<u>6,114,928</u>	<u>6,114,928</u>	<u>6,114,928</u>	<u>-</u>
Fund balance, ending	<u>\$ 6,442,905</u>	<u>\$ 4,821,435</u>	<u>\$ 5,315,145</u>	<u>\$ 493,710</u>

CITY OF BROUSSARD, LOUISIANA
TIF Sales Tax Special Revenue Fund

Budgetary Comparison Schedule
For the Year Ended June 30, 2017

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes -				
Sales taxes	\$ 676,100	\$ 595,834	\$ 620,498	\$ 24,664
Miscellaneous -				
Interest	<u>3,713</u>	<u>3,205</u>	<u>3,516</u>	<u>311</u>
Total revenues	<u>679,813</u>	<u>599,039</u>	<u>624,014</u>	<u>24,975</u>
Expenditures:				
Current -				
General government:				
Collection fees	6,800	6,400	6,258	142
Professional fees	<u>35,000</u>	<u>9,100</u>	<u>8,600</u>	<u>500</u>
Total general government	41,800	15,500	14,858	642
Capital outlay	<u>770,600</u>	<u>476,015</u>	<u>232,435</u>	<u>243,580</u>
Total expenditures	<u>812,400</u>	<u>491,515</u>	<u>247,293</u>	<u>244,222</u>
Excess (deficiency) of revenues over expenditures	(132,587)	107,524	376,721	269,197
Other financing uses:				
Transfers to Utility Fund	<u>(475,000)</u>	<u>(955,581)</u>	<u>(955,581)</u>	<u>-</u>
Net change in fund balance	(607,587)	(848,057)	(578,860)	269,197
Fund balance, beginning	<u>3,558,428</u>	<u>3,558,428</u>	<u>3,558,428</u>	<u>-</u>
Fund balance, ending	<u>\$ 2,950,841</u>	<u>\$ 2,710,371</u>	<u>\$ 2,979,568</u>	<u>\$ 269,197</u>

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

Budgetary Comparison Schedule
For the Year Ended June 30, 2017

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes -				
Sales taxes - 1/2%	\$ 2,454,000	\$ 2,209,700	\$ 2,416,820	\$ 207,120
Miscellaneous -				
Interest	<u>4,111</u>	<u>3,802</u>	<u>4,526</u>	<u>724</u>
Total revenues	<u>2,458,111</u>	<u>2,213,502</u>	<u>2,421,346</u>	<u>207,844</u>
Expenditures:				
Current -				
General government:				
Collection fees	14,210	22,790	22,312	478
Professional fees	10,000	9,050	7,975	1,075
Other	<u>-</u>	<u>-</u>	<u>366</u>	<u>(366)</u>
Total expenditures	<u>24,210</u>	<u>31,840</u>	<u>30,653</u>	<u>1,187</u>
Excess of revenues over expenditures	<u>2,433,901</u>	<u>2,181,662</u>	<u>2,390,693</u>	<u>209,031</u>
Other financing uses:				
Transfers to Park Capital Projects Fund	(9,500,000)	(8,100,000)	(8,100,000)	-
Transfers to 2012 Sales Tax Bond Fund	(1,067,853)	(1,067,888)	(1,072,655)	(4,767)
Transfers to 2015 Sales Tax Bond Fund	<u>(616,108)</u>	<u>(616,072)</u>	<u>(616,072)</u>	<u>-</u>
Total other financing uses	<u>(11,183,961)</u>	<u>(9,783,960)</u>	<u>(9,788,727)</u>	<u>(4,767)</u>
Net change in fund balance	(8,750,060)	(7,602,298)	(7,398,034)	204,264
Fund balance, beginning	<u>3,524,888</u>	<u>8,843,778</u>	<u>8,843,778</u>	<u>-</u>
Fund balance, ending	<u>\$ (5,225,172)</u>	<u>\$ 1,241,480</u>	<u>\$ 1,445,744</u>	<u>\$ 204,264</u>

CITY OF BROUSSARD, LOUISIANA

Notes to the Required Supplementary Information

(1) Budget and Budgetary Accounting

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

1. The City Clerk submits no later than 15 days prior to the beginning of each fiscal year, a proposed budget to the Mayor and Board of Aldermen.
2. A summary of the proposed budget is published and the public notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
3. A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing.
4. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted through passage of an ordinance prior to the commencement of the fiscal year for which the budget is being adopted.
5. Budgetary amendments involving an increase in a fund's appropriations require the approval of the Board of Aldermen. The Mayor may transfer budget amounts between departments within any fund. The level of budgetary control is by total appropriations (by fund); however, for report purposes, the budgetary information has been expanded.
6. All budgetary appropriations lapse at the end of each fiscal year.
7. Budgets for all funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted or as amended by the Board of Aldermen.

OTHER SUPPLEMENTARY INFORMATION

CITY OF BROUSSARD, LOUISIANA

Statement of Net Position

June 30, 2017

With Comparative Totals for June 30, 2016

	2017			2016 Totals
	Governmental Activities	Business- Type Activities	Total	
ASSETS				
Current assets:				
Cash and interest-bearing deposits	\$17,636,936	\$ 162,049	\$17,798,985	\$28,121,086
Receivables, net	2,527,378	415,453	2,942,831	2,668,250
Internal balances	8,014	(8,014)	-	-
Due from other governments	29,006	-	29,006	40,961
Prepaid items	185,104	72,851	257,955	261,243
Total current assets	<u>20,386,438</u>	<u>642,339</u>	<u>21,028,777</u>	<u>31,091,540</u>
Noncurrent assets:				
Restricted assets -				
Cash and interest-bearing deposits	4,068,669	304,530	4,373,199	13,233,777
Capital assets -				
Land and construction in progress	49,146,108	7,152,510	56,298,618	36,618,744
Capital assets, net	<u>11,631,948</u>	<u>21,411,501</u>	<u>33,043,449</u>	<u>32,659,323</u>
Total noncurrent assets	<u>64,846,725</u>	<u>28,868,541</u>	<u>93,715,266</u>	<u>82,511,844</u>
Total assets	<u>85,233,163</u>	<u>29,510,880</u>	<u>114,744,043</u>	<u>113,603,384</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred loss on bond refunding	<u>635,128</u>	<u>-</u>	<u>635,128</u>	<u>738,409</u>
LIABILITIES				
Current liabilities:				
Accounts, salaries and other payables	2,697,135	350,128	3,047,263	3,574,836
Due to other governments	166,338	-	166,338	297,160
Bonds payable	1,373,829	-	1,373,829	1,446,336
Accrued interest payable	<u>275,512</u>	<u>-</u>	<u>275,512</u>	<u>293,827</u>
Total current liabilities	<u>4,512,814</u>	<u>350,128</u>	<u>4,862,942</u>	<u>5,612,159</u>
Noncurrent liabilities:				
Customers' deposits	-	304,530	304,530	266,430
Compensated absences payable	340,831	97,051	437,882	427,774
Bonds payable	<u>46,637,172</u>	<u>-</u>	<u>46,637,172</u>	<u>48,094,509</u>
Total noncurrent liabilities	<u>46,978,003</u>	<u>401,581</u>	<u>47,379,584</u>	<u>48,788,713</u>
Total liabilities	<u>51,490,817</u>	<u>751,709</u>	<u>52,242,526</u>	<u>54,400,872</u>
NET POSITION				
Net investment in capital assets	18,805,753	28,353,130	47,158,883	33,804,494
Restricted for sales tax dedications	9,740,457	-	9,740,457	18,517,134
Restricted for debt service	3,793,157	-	3,793,157	3,381,761
Unrestricted	<u>2,038,107</u>	<u>406,041</u>	<u>2,444,148</u>	<u>4,237,532</u>
Total net position	<u>\$34,377,474</u>	<u>\$28,759,171</u>	<u>\$63,136,645</u>	<u>\$59,940,921</u>

CITY OF BROUSSARD, LOUISIANA
General Fund

Schedule of Revenues
Budget (GAAP Basis) and Actual
For the Year Ended June 30, 2017
With Comparative Actual Amounts for the Year Ended June 30, 2016

	2017		Variance - Positive (Negative)	2016 Actual
	Budget	Actual		
Revenues:				
Taxes -				
Franchise taxes	\$ 1,053,775	\$ 1,068,231	\$ 14,456	\$ 1,002,089
Sales taxes - 1%	<u>4,513,860</u>	<u>4,838,729</u>	<u>324,869</u>	<u>5,008,586</u>
Total taxes	<u>5,567,635</u>	<u>5,906,960</u>	<u>339,325</u>	<u>6,010,675</u>
Licenses and permits -				
Occupational licenses	718,086	725,385	7,299	896,728
Insurance licenses	291,009	354,533	63,524	360,844
Permits	<u>450,674</u>	<u>461,353</u>	<u>10,679</u>	<u>311,805</u>
Total licenses and permits	<u>1,459,769</u>	<u>1,541,271</u>	<u>81,502</u>	<u>1,569,377</u>
Intergovernmental -				
Federal sources -				
FEMA flood damage	180,000	138,197	(41,803)	-
State sources -				
Video poker	93,557	89,468	(4,089)	105,753
On-behalf payments	139,534	150,667	11,133	152,738
Beer taxes	28,016	17,759	(10,257)	18,880
Highway maintenance	3,570	3,570	-	3,570
Resource officer	23,400	23,400	-	23,400
Lafayette Consolidated Government	<u>8,750</u>	<u>7,219</u>	<u>(1,531)</u>	<u>11,964</u>
Total intergovernmental	<u>476,827</u>	<u>430,280</u>	<u>(46,547)</u>	<u>316,305</u>
Fines and forfeits and seizures	<u>254,382</u>	<u>260,563</u>	<u>6,181</u>	<u>240,035</u>
Miscellaneous -				
Interest	416	16,911	16,495	18,166
Planning/review fees	5,826	5,836	10	7,638
Sale of assets	402	-	(402)	30,100
Insurance claim	47,805	46,645	(1,160)	-
Other	<u>49,746</u>	<u>45,197</u>	<u>(4,549)</u>	<u>41,838</u>
Total miscellaneous	<u>104,195</u>	<u>114,589</u>	<u>10,394</u>	<u>97,742</u>
Total revenues	<u>\$ 7,862,808</u>	<u>\$ 8,253,663</u>	<u>\$ 390,855</u>	<u>\$ 8,234,134</u>

CITY OF BROUSSARD, LOUISIANA
General Fund

Schedule of Expenditures
Budget (GAAP Basis) and Actual
For the Year Ended June 30, 2017

With Comparative Actual Amounts for the Year Ended June 30, 2016

	2017		Variance - Positive (Negative)	2016 Actual
	Budget	Actual		
Current -				
General government:				
Salaries	\$ 490,218	\$ 490,656	\$ (438)	\$ 486,053
Payroll taxes	40,000	36,958	3,042	36,357
Group insurance	98,800	99,798	(998)	96,521
Retirement	38,660	38,573	87	38,519
Auto	8,000	3,485	4,515	12,533
Insurance	61,296	101,293	(39,997)	62,296
Office	10,000	16,187	(6,187)	17,376
Utilities	25,000	26,003	(1,003)	20,788
Telephone	15,000	15,262	(262)	15,707
Advertising	12,000	9,774	2,226	13,602
Animal control	117	756	(639)	20,417
Economic development	100,000	100,000	-	102,416
Dues and subscriptions	6,600	6,670	(70)	4,694
Sales tax collection fees	51,000	51,099	(99)	75,046
Supplies	12,000	14,960	(2,960)	14,444
Legal	65,000	84,653	(19,653)	106,331
Accounting	48,000	24,065	23,935	53,000
Engineering	250,000	289,034	(39,034)	212,358
Professional fees	146,000	158,599	(12,599)	203,226
Building inspection fees	300,000	344,895	(44,895)	247,769
Miscellaneous	22,000	28,888	(6,888)	19,239
Magistrate court	86,407	35,043	51,364	55,849
Repairs and maintenance	85,000	59,372	25,628	44,874
Civil service salaries	6,000	6,000	-	3,548
Total general government	<u>1,977,098</u>	<u>2,042,023</u>	<u>(64,925)</u>	<u>1,962,963</u>
Public safety:				
Police department -				
Salaries	1,315,299	1,339,353	(24,054)	1,295,036
On-behalf payments - salaries	139,534	150,667	(11,133)	152,738
Payroll taxes	97,068	108,952	(11,884)	107,149
Retirement	81,334	91,341	(10,007)	81,826
Group insurance	244,157	262,211	(18,054)	251,070
Insurance	164,486	153,939	10,547	163,039
Auto	144,502	146,124	(1,622)	111,360
Auto allowance	6,600	7,200	(600)	7,200
Uniforms and supplies	57,284	58,453	(1,169)	47,452
Legal	-	2,173	(2,173)	42,913
Accounting	11,500	16,025	(4,525)	9,355
Miscellaneous	25,000	22,618	2,382	18,819
K-9 expenses	1,955	1,955	-	1,912
Repairs and maintenance	48,368	48,570	(202)	32,880
Training	10,760	13,302	(2,542)	8,473
Utilities and communication	52,901	51,463	1,438	76,764
Total police department	<u>2,400,748</u>	<u>2,474,346</u>	<u>(73,598)</u>	<u>2,407,986</u>

(continued)

CITY OF BROUSSARD, LOUISIANA
General Fund

Schedule of Expenditures
Budget (GAAP Basis) and Actual (Continued)
For the Year Ended June 30, 2017

With Comparative Actual Amounts for the Year Ended June 30, 2016

	2017		Variance - Positive (Negative)	2016 Actual
	Budget	Actual		
Fire department -				
Appropriation to Broussard Fire Department:				
Operations	812,519	793,191	19,328	812,776
Capital	259,104	267,000	(7,896)	30,046
Total fire department	<u>1,071,623</u>	<u>1,060,191</u>	<u>11,432</u>	<u>842,822</u>
Total public safety	<u>3,472,371</u>	<u>3,534,537</u>	<u>(62,166)</u>	<u>3,250,808</u>
Streets and drainage:				
Salaries	923,602	937,955	(14,353)	953,269
Payroll taxes	64,343	68,402	(4,059)	69,051
Retirement	86,716	86,926	(210)	89,751
Group insurance	186,472	200,604	(14,132)	192,902
Insurance	175,000	171,931	3,069	183,276
Auto	62,000	74,266	(12,266)	66,695
Equipment rent	21,000	19,510	1,490	30,040
Equipment operating costs	55,000	56,729	(1,729)	64,585
Street and drainage maintenance	386,156	412,420	(26,264)	573,163
Professional	7,000	13,853	(6,853)	9,619
Engineering	61,000	87,668	(26,668)	21,273
Utilities and communication	131,000	138,834	(7,834)	127,629
Uniforms and supplies	43,200	49,929	(6,729)	75,443
Casual labor	50,000	54,981	(4,981)	45,543
Miscellaneous	10,000	9,889	111	11,747
Total streets and drainage	<u>2,262,489</u>	<u>2,383,897</u>	<u>(121,408)</u>	<u>2,513,986</u>

(continued)

CITY OF BROUSSARD, LOUISIANA
General Fund

Schedule of Expenditures
Budget (GAAP Basis) and Actual (Continued)
For the Year Ended June 30, 2017

With Comparative Actual Amounts for the Year Ended June 30, 2016

	2017		Variance - Positive (Negative)	2016 Actual
	Budget	Actual		
Parks and recreation -				
Salaries	-	-	-	80,783
Payroll taxes	-	-	-	6,155
Group insurance	-	-	-	7,248
Insurance	-	-	-	27,045
Auto	-	-	-	2,389
Office	-	-	-	4,613
Professional fees	-	-	-	3,000
Repairs and maintenance	-	-	-	11,903
Supplies	-	-	-	4,258
Utilities and communication	-	-	-	17,618
Miscellaneous	-	-	-	4,465
Total parks and recreation	<u>-</u>	<u>-</u>	<u>-</u>	<u>169,477</u>
Capital outlay:				
General government -				
City Hall improvements	35,000	33,625	1,375	47,018
School Board property	297,500	297,500	-	-
Police -				
Vehicles and equipment	238,874	237,520	1,354	146,842
Streets and drainage -				
Street overlay project	-	-	-	322,928
Sidewalk project	10,000	7,612	2,388	123,043
Flashing school signals	-	-	-	80,386
Cypress Bayou Lateral 2 and 4	-	-	-	415,770
Dainage project - District 2	11,472	9,472	2,000	-
Albertson's Parkway drainage project	-	-	-	7,204
La Neuville drainage improvements	-	-	-	52,548
Vehicles and equipment	394,674	285,633	109,041	64,931
Total capital outlay	<u>987,520</u>	<u>871,362</u>	<u>116,158</u>	<u>1,260,670</u>
Total expenditures	<u>\$ 8,699,478</u>	<u>\$ 8,831,819</u>	<u>\$ (132,341)</u>	<u>\$ 9,157,904</u>

CITY OF BROUSSARD, LOUISIANA
1992 Sales Tax Special Revenue Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget (GAAP Basis) and Actual
For the Year Ended June 30, 2017
With Comparative Actual Amounts for the Year Ended June 30, 2016

	2017		Variance with Final Budget Positive (Negative)	2016 Actual
	Budget	Actual		
Revenues:				
Taxes -				
Sales taxes - 1%	\$4,513,860	\$ 4,838,729	\$ 324,869	\$ 5,008,480
Miscellaneous -				
Interest	2,410	6,529	4,119	6,839
Total revenues	<u>4,516,270</u>	<u>4,845,258</u>	<u>328,988</u>	<u>5,015,319</u>
Expenditures:				
Current -				
General government:				
Collection fees	51,706	50,821	885	69,208
Professional fees	20,690	19,290	1,400	26,360
Other	-	-	-	40
Total expenditures	<u>72,396</u>	<u>70,111</u>	<u>2,285</u>	<u>95,608</u>
Excess of revenues over expenditures	<u>4,443,874</u>	<u>4,775,147</u>	<u>331,273</u>	<u>4,919,711</u>
Other financing sources (uses):				
Transfer from (to) General Fund	(1,400,000)	(1,236,853)	163,147	3,705,000
Transfer to Utility Fund	(1,500,000)	(1,370,000)	130,000	(3,050,000)
Transfers to debt service funds	(1,616,367)	(1,968,077)	(351,710)	(1,797,220)
Transfers to LCDBG/Streets Fund	(1,221,000)	(1,000,000)	221,000	-
Total other financing sources (uses)	<u>(5,737,367)</u>	<u>(5,574,930)</u>	<u>162,437</u>	<u>(1,142,220)</u>
Net change in fund balance	(1,293,493)	(799,783)	493,710	3,777,491
Fund balance, beginning	<u>6,114,928</u>	<u>6,114,928</u>	-	<u>2,337,437</u>
Fund balance, ending	<u>\$4,821,435</u>	<u>\$ 5,315,145</u>	<u>\$ 493,710</u>	<u>\$ 6,114,928</u>

CITY OF BROUSSARD, LOUISIANA
TIF Sales Tax Special Revenue Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget (GAAP Basis) and Actual
For the Year Ended June 30, 2017
With Comparative Actual Amounts for the Year Ended June 30, 2016

	2017		Variance with Final Budget Positive (Negative)	2016 Actual
	Budget	Actual		
Revenues:				
Taxes -				
Sales taxes	\$ 595,834	\$ 620,498	\$ 24,664	\$ 663,659
Miscellaneous -				
Interest	3,205	3,516	311	4,809
Total revenues	<u>599,039</u>	<u>624,014</u>	<u>24,975</u>	<u>668,468</u>
Expenditures:				
Current -				
General government:				
Collection fees	6,400	6,258	142	4,837
Professional fees	9,100	8,600	500	59,481
Total general government	<u>15,500</u>	<u>14,858</u>	<u>642</u>	<u>64,318</u>
Capital outlay -				
Streets and drainage:				
Blackwater project	240,423	-	240,423	368,820
St. Nazaire Road	235,592	232,435	3,157	29,032
Total capital outlay	<u>476,015</u>	<u>232,435</u>	<u>243,580</u>	<u>397,852</u>
Total expenditures	<u>491,515</u>	<u>247,293</u>	<u>244,222</u>	<u>462,170</u>
Excess of revenues over expenditures	107,524	376,721	269,197	206,298
Other financing uses:				
Transfers to Utility Fund	<u>(955,581)</u>	<u>(955,581)</u>	-	<u>(1,399,817)</u>
Net change in fund balance	(848,057)	(578,860)	269,197	(1,193,519)
Fund balance, beginning	<u>3,558,428</u>	<u>3,558,428</u>	-	<u>4,751,947</u>
Fund balance, ending	<u>\$2,710,371</u>	<u>\$ 2,979,568</u>	<u>\$ 269,197</u>	<u>\$3,558,428</u>

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

Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget (GAAP Basis) and Actual
For the Year Ended June 30, 2017
With Comparative Actual Amounts for the Year Ended June 30, 2016

	2017		Variance with Final Budget Positive (Negative)	2016 Actual
	Budget	Actual		
Revenues:				
Taxes -				
Sales taxes - 1/2%	\$ 2,209,700	\$ 2,416,820	\$ 207,120	\$ 2,457,985
Miscellaneous -				
Interest	<u>3,802</u>	<u>4,526</u>	<u>724</u>	<u>5,000</u>
Total revenues	<u>2,213,502</u>	<u>2,421,346</u>	<u>207,844</u>	<u>2,462,985</u>
Expenditures:				
Current -				
General government:				
Collection fees	22,790	22,312	478	33,568
Professional fees	9,050	7,975	1,075	10,295
Other	<u>-</u>	<u>366</u>	<u>(366)</u>	<u>131</u>
Total expenditures	<u>31,840</u>	<u>30,653</u>	<u>1,187</u>	<u>43,994</u>
Excess of revenues over expenditures	<u>2,181,662</u>	<u>2,390,693</u>	<u>209,031</u>	<u>2,418,991</u>
Other financing uses:				
Transfers to Park Capital Projects Fund	(8,100,000)	(8,100,000)	-	-
Transfers to 2012 Sales Tax Bond Fund	(1,067,888)	(1,072,655)	(4,767)	(990,573)
Transfers to 2015 Sales Tax Bond Fund	<u>(616,072)</u>	<u>(616,072)</u>	<u>-</u>	<u>(522,486)</u>
Total other financing uses	<u>(9,783,960)</u>	<u>(9,788,727)</u>	<u>(4,767)</u>	<u>(1,513,059)</u>
Net change in fund balance	(7,602,298)	(7,398,034)	204,264	905,932
Fund balance, beginning	<u>8,843,778</u>	<u>8,843,778</u>	<u>-</u>	<u>7,937,846</u>
Fund balance, ending	<u>\$ 1,241,480</u>	<u>\$ 1,445,744</u>	<u>\$ 204,264</u>	<u>\$ 8,843,778</u>

CITY OF BROUSSARD, LOUISIANA
Park Capital Projects Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget (GAAP Basis) and Actual
For the Year Ended June 30, 2017
With Comparative Actual Amounts for the Year Ended June 30, 2016

	2017		Variance with Final Budget Positive (Negative)	2016
	Budget	Actual		
Revenues:				
Miscellaneous -				
Interest	\$ 13,700	\$ 11,605	\$ (2,095)	\$ 36,385
Expenditures:				
Current -				
General government:				
Professional fees	24,756	20,152	4,604	5,835
Debt service:				
Bond issuance costs	-	-	-	414,092
Capital outlay -				
Parks and recreation:				
St. Julian Park - Phase I	55,941	13,907	42,034	634,886
St. Julian Park - Phase II	14,720,160	13,865,666	854,494	12,081,448
St. Julian Park - Phase III Lighting	655,228	649,096	6,132	2,079,171
Equipment	465,700	556,192	(90,492)	156,860
Total capital outlay	15,897,029	15,084,861	812,168	14,952,365
Total expenditures	15,921,785	15,105,013	816,772	15,372,292
Deficiency of revenues over expenditures	(15,908,085)	(15,093,408)	814,677	(15,335,907)
Other financing sources:				
Proceeds from issuance of debt	-	-	-	12,000,000
Premium on issuance of debt	-	-	-	399,092
Transfers from 2011 Recreation Sales Tax Fund	8,100,000	8,100,000	-	-
Transfers from LCDBG/Streets Fund	1,600,000	786,000	(814,000)	-
Total other financing sources	9,700,000	8,886,000	(814,000)	12,399,092
Net change in fund balance	(6,208,085)	(6,207,408)	677	(2,936,815)
Fund balance, beginning	6,209,338	6,209,338	-	9,146,153
Fund balance, ending	\$ 1,253	\$ 1,930	\$ 677	\$ 6,209,338

CITY OF BROUSSARD, LOUISIANA
LCDBG/Streets Capital Projects Fund

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

With Comparative Actual Amounts for the Year Ended June 30, 2016

	2017		Variance with Final Budget Positive (Negative)	2016
	Budget	Actual		
Revenues:				
Miscellaneous -				
Contribution from developer	\$ 80,000	\$ 80,000	\$ -	\$ -
Interest	-	4,832	4,832	7,056
Total revenues	<u>80,000</u>	<u>84,832</u>	<u>4,832</u>	<u>7,056</u>
Expenditures:				
Current -				
General government:				
Professional fees	-	9,080	(9,080)	7,730
Office expenditures	-	24	(24)	40
Total general government	<u>-</u>	<u>9,104</u>	<u>(9,104)</u>	<u>7,770</u>
Capital outlay -				
Streets and drainage:				
South Bernard/Fairfield Road extension	2,672,708	2,789,957	(117,249)	1,860,459
South Bernard (Hwy 90 to Highway 182)	557,273	561,999	(4,726)	171,373
South Bernard (Hwy 182 to Albertson Pkwy.	17,985	50,506	(32,521)	146,436
Overlay Highway 182	154,243	157,243	(3,000)	117,424
Three-lane Main Street	7,470	7,598	(128)	73,926
Cypress Bayou Lateral 2 - Div II	9,444	9,444	-	-
Cypress Bayou Lateral 2 and 4	59,086	58,391	695	9,120
Cypress Bayou Lateral 4-D	76,763	76,763	-	-
North Bernard drainage improvements	192,081	195,746	(3,665)	204,988
LA Hwy 182 Industrial Park	284,245	303,623	(19,378)	-
Highway 182 rehab (Highway 90 to 89)	-	-	-	16,601
Vivian Drive Drainage	-	6,269	(6,269)	-
Albertson Pkwy drainage improvements	-	-	-	39,188
Total capital outlay	<u>4,031,298</u>	<u>4,217,539</u>	<u>(186,241)</u>	<u>2,639,515</u>
Total expenditures	<u>4,031,298</u>	<u>4,226,643</u>	<u>(195,345)</u>	<u>2,647,285</u>
Deficiency of revenues over expenditures	<u>(3,951,298)</u>	<u>(4,141,811)</u>	<u>(190,513)</u>	<u>(2,640,229)</u>
Other financing sources (uses):				
Transfers from 1992 Sales Tax Fund	1,221,000	1,000,000	(221,000)	-
Transfers to Park Capital Projects Fund	<u>(1,600,000)</u>	<u>(786,000)</u>	<u>814,000</u>	<u>-</u>
Total other financing sources (uses)	<u>(379,000)</u>	<u>214,000</u>	<u>593,000</u>	<u>-</u>
Net change in fund balance	<u>(4,330,298)</u>	<u>(3,927,811)</u>	<u>402,487</u>	<u>(2,640,229)</u>
Fund balance, beginning	<u>4,330,687</u>	<u>4,330,687</u>	<u>-</u>	<u>6,970,916</u>
Fund balance, ending	<u>\$ 389</u>	<u>\$ 402,876</u>	<u>\$ 402,487</u>	<u>\$4,330,687</u>

CITY OF BROUSSARD, LOUISIANA
Nonmajor Governmental Funds

Combining Balance Sheet
June 30, 2017
With Comparative Totals for June 30, 2016

	Debt Service Funds						Totals	
	1998 Sales Tax Bond	2005 Sales Tax Bond	2007/2016 Sales Tax Bond	2008/2015 Sales Tax Bond	2011 DEQ Bond	2012 Sales Tax Bond	2016	2015
ASSETS								
Cash and interest-bearing deposits	\$171,604	\$ 14,508	\$ 1,359,053	\$ 679,616	\$ 413,776	\$ 1,429,694	\$ 4,068,251	\$ 3,675,174
Accrued interest receivable	<u>18</u>	<u>-</u>	<u>25</u>	<u>-</u>	<u>91</u>	<u>284</u>	<u>418</u>	<u>414</u>
Total assets	<u>\$171,622</u>	<u>\$ 14,508</u>	<u>\$ 1,359,078</u>	<u>\$ 679,616</u>	<u>\$ 413,867</u>	<u>\$ 1,429,978</u>	<u>\$ 4,068,669</u>	<u>\$ 3,675,588</u>
LIABILITIES AND FUND BALANCES								
Liabilities:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fund balances:								
Restricted for debt service	<u>171,622</u>	<u>14,508</u>	<u>1,359,078</u>	<u>679,616</u>	<u>413,867</u>	<u>1,429,978</u>	<u>4,068,669</u>	<u>3,675,588</u>
Total liabilities and fund balances	<u>\$171,622</u>	<u>\$ 14,508</u>	<u>\$ 1,359,078</u>	<u>\$ 679,616</u>	<u>\$ 413,867</u>	<u>\$ 1,429,978</u>	<u>\$ 4,068,669</u>	<u>\$ 3,675,588</u>

CITY OF BROUSSARD, LOUISIANA
Nonmajor Governmental Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Year Ended June 30, 2017
With Comparative Totals for Year Ended June 30, 2016

	Debt Service Funds						Totals	
	1998	2005	2007/2016	2008/2015	2011	2012	2017	2016
	Sales Tax Bond	Sales Tax Bond	Sales Tax Bond	Sales Tax Bond	DEQ Bond	Sales Tax Bond		
Revenues:								
Miscellaneous - interest earned	\$ 1,924	\$ -	\$ 5,270	\$ 491	\$ 504	\$ 11,013	\$ 19,202	\$ 27,509
Expenditures:								
Debt service -								
Principal retirement	51,337	-	245,000	465,000	95,000	590,000	1,446,337	1,473,960
Interest and fiscal charges	18,259	-	317,449	397,809	20,972	1,082,099	1,836,588	1,486,415
Bond issuance costs	-	-	-	-	-	-	-	570,206
Total expenditures	<u>69,596</u>	<u>-</u>	<u>562,449</u>	<u>862,809</u>	<u>115,972</u>	<u>1,672,099</u>	<u>3,282,925</u>	<u>3,530,581</u>
Deficiency of revenues over expenditures	<u>(67,672)</u>	<u>-</u>	<u>(557,179)</u>	<u>(862,318)</u>	<u>(115,468)</u>	<u>(1,661,086)</u>	<u>(3,263,723)</u>	<u>(3,503,072)</u>
Other financing sources (uses):								
Proceeds from issuance of debt	-	-	-	-	-	-	-	17,080,000
Premium on issuance of debt	-	-	-	-	-	-	-	1,228,183
Payment to escrow agent	-	-	-	-	-	-	-	(18,904,462)
Transfers in	73,186	-	847,391	914,157	133,343	1,688,727	3,656,804	5,725,334
Transfers out	-	-	-	-	-	-	-	(2,415,055)
Total other financing sources (uses)	<u>73,186</u>	<u>-</u>	<u>847,391</u>	<u>914,157</u>	<u>133,343</u>	<u>1,688,727</u>	<u>3,656,804</u>	<u>2,714,000</u>
Net change in fund balance	5,514	-	290,212	51,839	17,875	27,641	393,081	(789,072)
Fund balances, beginning	<u>166,108</u>	<u>14,508</u>	<u>1,068,866</u>	<u>627,777</u>	<u>395,992</u>	<u>1,402,337</u>	<u>3,675,588</u>	<u>4,464,660</u>
Fund balances, ending	<u>\$ 171,622</u>	<u>\$ 14,508</u>	<u>\$1,359,078</u>	<u>\$ 679,616</u>	<u>\$413,867</u>	<u>\$1,429,978</u>	<u>\$ 4,068,669</u>	<u>\$ 3,675,588</u>

CITY OF BROUSSARD, LOUISIANA
Enterprise Fund
Utility Fund

Schedule of Number of Utility Customers
(Unaudited)
June 30, 2017 and 2016

Records maintained by the City indicated the following number of customers were being serviced during the months of June 30, 2017 and 2016:

<u>Department</u>	<u>2017</u>	<u>2016</u>
Water	4,894	4,656
Sewer	3,730	3,527
Garbage	4,175	4,063

CITY OF BROUSSARD, LOUISIANA

Schedule of Insurance in Force
(Unaudited)
June 30, 2017

Description of Coverage	Policy Expiration Date	Coverage Amounts
Workmen's compensation:		
Employer's liability	12/01/17	\$1,000,000
Automobile:		
Liability	12/01/17	1,000,000
Uninsured motorists	12/01/17	1,000,000
Property:		
Buildings, contents, machinery, and equipment	12/01/17	37,356,602
Boiler and machinery	12/01/17	2,500,000
Law enforcement officer's liability:		
Aggregate	12/01/17	3,000,000
Occurrence	12/01/17	1,000,000
Employment practices liability:		
Aggregate	12/01/17	3,000,000
Public officials management	12/01/17	1,000,000
Employment practices liability	12/01/17	1,000,000
General liability		
Aggregate	12/01/17	3,000,000
Occurrence	12/01/17	1,000,000
Special Risk:		
Automobile	05/01/18	1,000,000
Umbrella	05/01/18	686,868
Crime:		
Identity fraud (per occurrence)	12/01/17	25,000
Employee theft/forgery/theft and burglary (per occurrence)	12/01/17	100,000
Executive cyber and internet liability	12/01/17	1,000,000

CITY OF BROUSSARD, LOUISIANA

Comparative Statement of Net Position

Enterprise Fund

Utility Fund

June 30, 2017 and 2016

	<u>2017</u>	<u>2016</u>
ASSETS		
Current assets:		
Cash and interest-bearing deposits	\$ 157,284	\$ 209,217
Accounts receivable, net	415,453	382,366
Due from other funds	5,421	12,859
Prepaid insurance	<u>56,435</u>	<u>46,183</u>
Total current assets	<u>634,593</u>	<u>650,625</u>
Noncurrent assets:		
Restricted assets -		
Cash and interest-bearing deposits	304,530	266,430
Capital assets -		
Land and construction in progress	7,140,123	6,310,850
Capital assets, net	<u>21,411,501</u>	<u>21,499,750</u>
Total noncurrent assets	<u>28,856,154</u>	<u>28,077,030</u>
Total assets	<u>29,490,747</u>	<u>28,727,655</u>
LIABILITIES		
Current liabilities:		
Accounts payable	119,406	117,392
Contracts payable	146,983	81,443
Retainage payable	63,898	57,082
Accrued expenses	12,030	9,057
Due to other funds	<u>435</u>	<u>-</u>
Total current liabilities	<u>342,752</u>	<u>264,974</u>
Noncurrent liabilities:		
Customers' deposits (payable from restricted assets)	304,530	266,430
Compensated absences payable	<u>97,051</u>	<u>96,837</u>
Total noncurrent liabilities	<u>401,581</u>	<u>363,267</u>
Total liabilities	<u>744,333</u>	<u>628,241</u>
NET POSITION		
Net investment in capital assets	28,340,743	27,672,075
Unrestricted	<u>405,671</u>	<u>427,339</u>
Total net position	<u>\$28,746,414</u>	<u>\$28,099,414</u>

CITY OF BROUSSARD, LOUISIANA

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

For the Years Ended June 30, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Operating revenues:		
Charges for services	\$ 2,707,097	\$ 2,560,325
Miscellaneous	<u>525,047</u>	<u>322,978</u>
Total operating revenues	<u>3,232,144</u>	<u>2,883,303</u>
Operating expenses:		
Water	2,299,270	2,312,210
Sewer	1,860,945	2,184,223
Garbage	<u>936,516</u>	<u>896,318</u>
Total operating expenses	<u>5,096,731</u>	<u>5,392,751</u>
Loss from operations	(1,864,587)	(2,509,448)
Nonoperating revenues:		
Interest earned	<u>714</u>	<u>987</u>
Loss before capital contributions and transfers	<u>(1,863,873)</u>	<u>(2,508,461)</u>
Capital contributions	<u>185,292</u>	<u>347,059</u>
Transfers:		
Transfers from 1992 Sales Tax Fund	1,370,000	3,050,000
Transfers from TIF Sales Tax Fund	955,581	1,399,817
Transfers from General Fund	<u>-</u>	<u>232,474</u>
Total transfers	<u>2,325,581</u>	<u>4,682,291</u>
Change in net position	647,000	2,520,889
Net position, beginning	<u>28,099,414</u>	<u>25,578,525</u>
Net position, ending	<u>\$28,746,414</u>	<u>\$28,099,414</u>

CITY OF BROUSSARD, LOUISIANA

Enterprise Fund

Utility Fund

Comparative Departmental Statement of Revenues and Expenses

For the Years Ended June 30, 2017 and 2016

	Totals		Water		Sewer		Garbage	
	2017	2016	2017	2016	2017	2016	2017	2016
Operating revenues:								
Charges for services	\$ 2,707,097	\$ 2,560,325	\$ 1,217,512	\$ 1,146,889	\$ 550,805	\$ 511,881	\$938,780	\$901,555
Connections, penalties, impact fees, and other	525,047	322,978	338,689	218,424	167,258	88,629	19,100	15,925
Total operating revenues	<u>3,232,144</u>	<u>2,883,303</u>	<u>1,556,201</u>	<u>1,365,313</u>	<u>718,063</u>	<u>600,510</u>	<u>957,880</u>	<u>917,480</u>
Operating expenses:								
Salaries	733,794	757,205	427,058	456,781	306,736	300,424	-	-
Payroll taxes and retirement	123,624	125,803	69,646	74,351	53,978	51,452	-	-
Group insurance	141,112	138,313	87,950	86,416	53,162	51,897	-	-
Professional fees	27,506	36,641	14,706	21,388	12,800	15,253	-	-
Engineering fees	107,206	215,380	43,438	60,728	63,768	154,652	-	-
Repairs and maintenance	417,821	653,013	124,157	214,254	293,664	438,759	-	-
Vehicle	45,294	48,668	28,162	29,158	17,132	19,510	-	-
Utilities	127,409	187,568	45,074	64,027	82,335	123,541	-	-
Materials and supplies	525,486	482,093	378,455	275,913	147,031	206,180	-	-
Depreciation	1,067,126	1,090,485	319,151	341,695	747,975	748,790	-	-
Insurance	123,259	122,335	66,858	69,996	56,401	52,339	-	-
Office	43,707	36,585	15,569	12,364	15,226	12,125	12,912	12,096
Water purchases	621,623	560,410	621,623	560,410	-	-	-	-
Garbage collection expense	923,604	884,222	-	-	-	-	923,604	884,222
Miscellaneous	68,160	54,030	57,423	44,729	10,737	9,301	-	-
Total operating expenses	<u>5,096,731</u>	<u>5,392,751</u>	<u>2,299,270</u>	<u>2,312,210</u>	<u>1,860,945</u>	<u>2,184,223</u>	<u>936,516</u>	<u>896,318</u>
Operating income (loss)	<u>\$(1,864,587)</u>	<u>\$(2,509,448)</u>	<u>\$(743,069)</u>	<u>\$(946,897)</u>	<u>(1,142,882)</u>	<u>(1,583,713)</u>	<u>\$ 21,364</u>	<u>\$ 21,162</u>

CITY OF BROUSSARD, LOUISIANA

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

ASSETS

Current assets:		
Cash and interest-bearing deposits	\$	4,765
Due from other funds		22,000
Prepaid insurance		<u>16,416</u>
Total current assets		43,181
Noncurrent assets:		
Capital assets -		
Land and construction in progress		<u>12,387</u>
Total assets		<u>55,568</u>

LIABILITIES

Current liabilities:		
Accounts payable		7,811
Due to other funds		<u>35,000</u>
Total current liabilities		<u>42,811</u>

NET POSITION

Net investment in capital assets		12,387
Unrestricted		<u>370</u>
Total net position	\$	<u><u>12,757</u></u>

CITY OF BROUSSARD, LOUISIANA

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

Operating revenues:	<u>\$ -</u>
Operating expenses:	
Salaries	148,543
Payroll taxes and retirement	10,824
Group insurance	21,510
Professional fees	1,375
Engineering fees	7,981
Equipment rental	294
Repairs and maintenance	13,058
Vehicle	4,224
Utilities	19,438
Materials and supplies	29,265
Tools and equipment	9,083
Insurance	40,140
Office	22,265
Uniforms	5,729
Miscellaneous	<u>3,002</u>
Total operating expenses	<u>336,731</u>
Loss from operations	(336,731)
Transfers:	
Transfers from General Fund	<u>349,488</u>
Change in net position	12,757
Net position, beginning	<u>-</u>
Net position, ending	<u>\$ 12,757</u>

INTERNAL CONTROL, COMPLIANCE

AND

OTHER MATTERS

KOLDER, CHAMPAGNE, SLAVEN & COMPANY, LLC

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Broussard, Louisiana (the City) as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated October 3, 2017.

Internal Control Over Financial Reporting

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

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying summary schedule of current and prior year audit findings and management's corrective action plan as items 2017-001(IC) through 2017-004(IC) to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Accounting Standards* and which are described in the accompanying summary schedule of current and prior year audit findings and management's corrective action plan as items 2017-005(C) and 2017-006(C).

The City of Broussard, Louisiana's Response to Findings

The City's response to the findings identified in our audit is described in the accompanying summary schedule of current and prior year audit findings and management's corrective action plan. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

This report is intended solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

Kolder, Champagne, Slaven & Company, LLC
Certified Public Accountants

Lafayette, Louisiana
October 3, 2017

CITY OF BROUSSARD, LOUISIANA

Summary Schedule of Current and Prior Year Audit Findings
and Management's Corrective Action Plan
Year Ended June 30, 2017

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

(continued)

CITY OF BROUSSARD, LOUISIANA

Summary Schedule of Current and Prior Year Audit Findings
and Management's Corrective Action Plan
Year Ended June 30, 2017

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

(continued)

CITY OF BROUSSARD, LOUISIANA

Summary Schedule of Current and Prior Year Audit Findings
and Management's Corrective Action Plan (Continued)
Year Ended June 30, 2017

Ref. No.	Fiscal Year Finding Initially Occurred	Description of finding	Corrective Action Taken	Corrective Action Planned	Name of Contact Person	Anticipated Completion Date
PRIOR YEAR (6/30/16) --						
<u>Internal Control:</u>						
2016-001(IC)	6/30/2014	The City does not have adequate controls over recordation of transactions and monthly reconciliations of account balances. Numerous adjustments were required in order to adjust balances to the correct amounts. Variances must be identified and reconciled on a timely basis.	No	Management will design adequate controls over recordation of transactions and monthly reconciliations of account balances. All variances will be investigated to determine the source of the differences.	Tina Emert, City Clerk	6/30/2017
2016-002(IC)	6/30/2016	The City does not have a staff person who has the qualifications and training to apply generally accepted accounting principles (GAAP) in recording the entity's financial transactions or preparing its financial statements, including the related notes.	No	The City has evaluated the cost vs. benefit of establishing internal controls over the preparation of financial statements in accordance with GAAP, and determined that it is in the best interests of the City to outsource this task to its independent auditors, and to carefully review the draft financial statements and notes prior to approving them and accepting responsibility for their contents and presentation.	Tina Emert, City Clerk	N/A
2016-003(IC)	6/30/2016	Police department personnel are not submitting cash received from the collection of fines to the City Hall for deposit on a daily basis.	Yes	Management will ensure that the police department fine collections are turned in to City Hall on a daily basis.	Tina Emert, City Clerk	Immediately
<u>Management Letter:</u>						
2016-004(ML)	6/30/2014	The City's water and sewer departments should be operating on a profitable basis. Consideration should be given to increasing rates and/or decreasing expenses in these departments in order to generate a profit.	No	Management will evaluate the current water and sewer charges and will closely monitor the operating expenses in these departments and make necessary changes.	Tina Emert, City Clerk	6/30/2017

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MANAGEMENT LETTER

* A Professional Accounting Corporation

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

During our audit of the basic financial statements of the City of Broussard for the year ended June 30, 2017, we noted areas in which the efficiency and effectiveness of the operations of the City could be improved. Item 1 was also included in our management letter dated November 15, 2016 relative to the audit of the basic financial statements for the year ended June 30, 2016. Items 2 and 3 are included in the City's financial report for the year ended June 30, 2017 as finding numbers 2017-004(IC) and 2017-005(C) but are re-emphasized below:

1. The City's water and sewer departments should be operating on a profitable basis. Consideration should be given to increasing rates and/or decreasing expenses in these departments in order to generate a profit.
2. Construction project change orders suggested by engineers or architects should be approved by the Mayor and City Council prior to the work being performed.
3. All credit card purchases should have proper supporting documentation and a business purpose, when necessary, prior to being paid. Additionally, use of City vehicles should be restricted to travel that has a legitimate business purpose.

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

Kolder, Champagne, Slaven & Company, LLC
Certified Public Accountants

Lafayette, Louisiana
October 3, 2017

CITY OF BROUSSARD, LOUISIANA

Independent Accountants' Report on Applying
Agreed-Upon Procedures

Year Ended June 30, 2017

KOLDER, CHAMPAGNE, SLAVEN & COMPANY, LLC

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

We have performed the procedures enumerated below, which were agreed to by the management of the City of Broussard (City) and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the City's compliance with certain laws, regulations and best practices during the year ended June 30, 2017. Management of the City is responsible for its financial records and compliance with applicable laws and regulations. This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

Written Policies and Procedures

1. Obtain the entity's written policies and procedures and report whether those written policies and procedures address each of the following financial/business functions (or report that the entity does not have any written policies and procedures), as applicable:

- a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget.

The City did not have written policies and procedures to address the functions noted above.

- b) **Purchasing**, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.

Written policies and procedures were obtained and address the functions noted above except as follows: how vendors are added to the vendor list, controls to ensure compliance with public bid law, and documentation required to be maintained for all bids and price quotes.

- c) **Disbursements**, including processing, reviewing, and approving.

Written policies and procedures were obtained and address the functions noted above.

- d) **Receipts**, including receiving, recording, and preparing deposits.

Written policies and procedures were obtained and address the functions noted above.

- e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.

Written policies and procedures were obtained and address the functions noted above.

- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.

The City did not have written policies and procedures to address the functions noted above.

- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers, and (5) monitoring card usage.

The City did not have written policies and procedures to address the functions noted above.

- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.

The City did not have written policies and procedures to address the functions noted above.

- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy. Note: Ethics requirements are not applicable to nonprofits.

The City did not have written policies and procedures to address the functions noted above.

- j) **Debt Service**, including (1) debt issuance approval, (2) EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

The City did not have written policies and procedures to address the functions noted above.

Board (or Finance Committee, if applicable)

- 2. Obtain and review the board/committee minutes for the fiscal period, and:

- a) Report whether the managing board met (with a quorum) at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, or other equivalent document.

Obtained and reviewed minutes of the managing board for the fiscal period noting that the board met at least monthly.

- b) Report whether the minutes referenced or included monthly budget-to-actual comparisons on the General Fund and any additional funds identified as major funds in the entity's prior audit (GAAP-basis).

Obtained and reviewed minutes of the managing board for the fiscal period noting that the minutes did not include or reference monthly budget-to-actual comparisons for the major funds for any of the 12 months examined.

- If the budget-to-actual comparisons show that management was deficit spending during the fiscal period, report whether there is a formal/written plan to eliminate the deficit spending for those entities with a fund balance deficit. If there is a formal/written plan, report whether the meeting minutes for at least one board meeting during the fiscal period reflect that the board is monitoring the plan.

Review of budget to actual comparisons did not disclose deficit spending during the fiscal period.

- c) Report whether the minutes referenced or included non-budgetary financial information (e.g. approval of contracts and disbursements) for at least one meeting during the fiscal period.

Obtained and reviewed the minutes of the managing board for the fiscal period noting that minutes referenced or included non-budgetary financial information for at least one meeting during the fiscal period.

Bank Reconciliations

3. Obtain a listing of client bank accounts from management and management's representation that the listing is complete.

Obtained listing of client bank accounts from management and management's representation that listing is complete.

4. Using the listing provided by management, select all of the entity's bank accounts (if five accounts or less) or one-third of the bank accounts on a three year rotating basis (if more than 5 accounts). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. *Note: School student activity fund accounts may be excluded from selection if they are otherwise addressed in a separate audit or AUP engagement.* For each of the bank accounts selected, obtain bank statements and reconciliations for all months in the fiscal period and report whether:

- a) Bank reconciliations have been prepared;

Obtained bank statements and reconciliations for all months in the fiscal period, noting that reconciliations have been prepared for all months.

- b) Bank reconciliations include evidence that a member of management or a board member (with no involvement in the transactions associated with the bank account) has reviewed each bank reconciliation; and

Obtained bank statements and reconciliations for all months in the fiscal period noting evidence of board member review not present for all months for each of the eleven accounts selected.

- c) If applicable, management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 6 months as of the end of the fiscal period.

Obtained bank statements and reconciliations for all months in the fiscal period noting management's documentation of research for items that have been outstanding for more than 6 months was present on all accounts examined.

Collections

5. Obtain a listing of cash/check/money order (cash) collection locations and management's representation that the listing is complete.

Obtained listing of cash collection locations and management's representation that listing is complete

6. Using the listing provided by management, select all of the entity's cash collection locations (if five locations or less) or one-third of the collection locations on a three year rotating basis (if more than 5 locations). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. *Note: School student activity funds may be excluded from selection if they are otherwise addressed in a separate audit or AUP engagement.* For each cash collection location selected:

- a) Obtain existing written documentation (e.g. insurance policy, policy manual, job description) and report whether each person responsible for collecting cash is (1) bonded, (2) not responsible for depositing the cash in the bank, recording the related transaction, or reconciling the related bank account (report if there are compensating controls performed by an outside party), and (3) not required to share the same cash register or drawer with another employee.

In 1 of the 2 locations, the person responsible for collecting cash deposits the cash in the bank.

- b) Obtain existing written documentation (e.g. sequentially numbered receipts, system report, reconciliation worksheets, policy manual) and report whether the entity has a formal process to reconcile cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, by a person who is not responsible for cash collections in the cash collection location selected.

In both of the locations selected, there is a formal process to reconcile cash collections to the general ledger by revenue source, by a person who is not responsible for cash collections.

- c) Select the highest (dollar) week of cash collections from the general ledger or other accounting records during the fiscal period and:

- Using entity collection documentation, deposit slips, and bank statements, trace daily collections to the deposit date on the corresponding bank statement and report whether the deposits were made within one day of collection. If deposits were not made within one day of collection, report the number of days from receipt to deposit for each day at each collection location.

The highest (dollar) week of cash collections for each location was obtained along with collection documentation, deposit slips, and bank statements. All deposits were made within one day of collection.

- Using sequentially numbered receipts, system reports, or other related collection documentation, verify that daily cash collections are completely supported by documentation and report any exceptions.

All collections were completely supported by documentation for each of the two locations tested.

7. Obtain existing written documentation (e.g. policy manual, written procedure) and report whether the entity has a process specifically defined (identified as such by the entity) to determine completeness of all collections, including electronic transfers, for each revenue source and agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation) by a person who is not responsible for collections.

In all locations, there is no process specifically defined to determine the completeness of all collections by a person who is not responsible for collections.

Disbursements – General (excluding credit card/debit card/fuel card/P-card purchases or payments)

8. Obtain a listing of entity disbursements from management or, alternately, obtain the general ledger and sort/filter for entity disbursements. Obtain management's representation that the listing or general ledger population is complete.

Listing of disbursements and management's representation that the listing is complete was obtained.

9. Using the disbursement population from #8 above, randomly select 25 disbursements (or randomly select disbursements constituting at least one-third of the dollar disbursement population if the entity had less than 25 transactions during the fiscal period), excluding credit card/debit card/fuel card/P-card purchases or payments. Obtain supporting documentation (e.g. purchase requisitions, system screens/logs) for each transaction and report whether the supporting documentation for each transaction demonstrated that:

a) Purchases were initiated using a requisition/purchase order system or an equivalent electronic system that separates initiation from approval functions in the same manner as a requisition/purchase order system.

There were no exceptions noted as a result of applying this procedure.

b) Purchase orders, or an electronic equivalent, were approved by a person who did not initiate the purchase.

There were no exceptions noted as a result of applying this procedure.

c) Payments for purchases were not processed without (1) an approved requisition and/or purchase order, or electronic equivalent; a receiving report showing receipt of goods purchased, or electronic equivalent; and an approved invoice.

There were no exceptions noted as a result of applying this procedure

10. Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), report whether the person responsible for processing payments is prohibited from adding vendors to the entity's purchasing/disbursement system.

The entity does not have written documentation that addresses the function above.

11. Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), report whether the persons with signatory authority or who make the final authorization for disbursements have no responsibility for initiating or recording purchases.

The entity does not have written documentation that addresses the function above.

12. Inquire of management and observe whether the supply of unused checks is maintained in a locked location, with access restricted to those persons that do not have signatory authority, and report any exceptions. Alternately, if the checks are electronically printed on blank check stock, review entity documentation (electronic system control documentation) and report whether the persons with signatory authority have system access to print checks.

Inquiry of management indicated that unused check stock is maintained in a locked location. It was noted that persons with signatory authority have system access to print checks, but that all checks require two original signatures.

13. If a signature stamp or signature machine is used, inquire of the signer whether his or her signature is maintained under his or her control or is used only with the knowledge and consent of the signer. Inquire of the signer whether signed checks are likewise maintained under the control of the signer or authorized user until mailed. Report any exceptions.

There were no exceptions noted upon inquiry of authorized signers.

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

14. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards), including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

Listing of active credit cards, bank debit cards, fuel cards and name of person who maintain possession of cards and management's representation that the listing is complete was obtained.

15. Using the listing prepared by management, randomly select 10 cards (or at least one-third of the cards if the entity has less than 10 cards) that were used during the fiscal period, rotating cards each year. If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner.

10 cards were randomly selected from the listing.

Obtain the monthly statements, or combined statements if multiple cards are on one statement, for the selected cards. Select the monthly statement or combined statement with the largest dollar activity for each card (for a debit card, select the monthly bank statement with the largest dollar amount of debit card purchases) and:

- a) Report whether there is evidence that the monthly statement or combined statement and supporting documentation was reviewed and approved, in writing, by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.)]

Monthly statements were obtained and address the functions noted above.

- b) Report whether finance charges and/or late fees were assessed on the selected statements.

There were no finance charges and/or late fees assessed on any of the cards selected.

16. Using the monthly statements or combined statements selected under #15 above, obtain supporting documentation for all transactions for each of the 10 cards selected (i.e. each of the 10 cards should have one month of transactions subject to testing).

- a) For each transaction, report whether the transaction is supported by:

- An original itemized receipt (i.e., identifies precisely what was purchased)

One card selected for testing had five of six transactions that did not have an original itemized receipt. All other cards selected for testing had original itemized receipts.

- Documentation of the business/public purpose. For meal charges, there should also be documentation of the individuals participating.

One credit card selected for testing had five of six transactions for which no business/public purpose was documented. One credit card selected for testing had three of eight transactions that did not have documentation for business/public purpose.

- Other documentation that may be required by written policy (e.g., purchase order, written authorization.)

One credit card selected for testing had four of six transactions that did not have other documentation that was required.

- b) For each transaction, compare the transaction's detail (nature of purchase, dollar amount of purchase, supporting documentation) to the entity's written purchasing/disbursement policies and the Louisiana Public Bid Law (i.e. transaction is a large or recurring purchase requiring the solicitation of bids or quotes) and report any exceptions.

There were no exceptions noted as a result of the testing of transaction details to the entity's written purchasing/department policies. There were no transactions noted that would have been subject to Louisiana Public Bid Law.

- c) For each transaction, compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. cash advances or non-business purchases, regardless whether they are reimbursed). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.

One credit card selected for testing had five of six transactions that did not have documentation of business/public purpose to ensure compliance with Article 7, Section 14 of the Louisiana Constitution. One credit card selected for testing had three of eight transactions that did not have documentation of business/public purpose to ensure compliance with Article 7, Section 14 of the Louisiana Constitution.

Travel and Expense Reimbursement

17. Obtain from management a listing of all travel and related expense reimbursements, by person, during the fiscal period or, alternately, obtain the general ledger and sort/filter for travel reimbursements. Obtain management's representation that the listing or general ledger is complete.

Listing of travel and expense reimbursements by person and management's representation that the listing is complete were obtained.

18. Obtain the entity's written policies related to travel and expense reimbursements. Compare the amounts in the policies to the per diem and mileage rates established by the U.S. General Services Administration (www.gsa.gov) and report any amounts that exceed GSA rates.

The City did not have written policies related to travel.

19. Using the listing or general ledger from #17 above, select the three persons who incurred the most travel costs during the fiscal period. Obtain the expense reimbursement reports or prepaid expense documentation of each selected person, including the supporting documentation, and choose the largest travel expense for each person to review in detail. For each of the three travel expenses selected:

- a) Compare expense documentation to written policies and report whether each expense was reimbursed or prepaid in accordance with written policy (e.g., rates established for meals, mileage, lodging). If the entity does not have written policies, compare to the GSA rates (#18 above) and report each reimbursement that exceeded those rates.

No exceptions were noted as a result of applying this procedure.

- b) Report whether each expense is supported by:

- An original itemized receipt that identifies precisely what was purchased. [Note: An expense that is reimbursed based on an established per diem amount (e.g., meals) does not require a receipt.]

No exceptions were noted as a result of applying this procedure.

- Documentation of the business/public purpose (Note: For meal charges, there should also be documentation of the individuals participating).

One employee selected for testing did not have documentation of a business/public purpose for the travel paid by the City.

- Other documentation as may be required by written policy (e.g., authorization for travel, conference brochure, certificate of attendance)

One employee selected for testing did not have adequate documentation for travel paid by the City.

- c) Compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. hotel stays that extend beyond conference periods or payment for the travel expenses of a spouse). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.

One employee selected for testing had travel expenses that did not appear to comply with Article 7, Section 14 of the Louisiana Constitution.

- d) Report whether each expense and related documentation was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

One employee selected for testing did not have travel expenses and related documentation reviewed and approved in writing by someone other than the person receiving reimbursement.

Contracts

- 20. Obtain a listing of all contracts in effect during the fiscal period or, alternately, obtain the general ledger and sort/filter for contract payments. Obtain management's representation that the listing or general ledger is complete.

Listing of all contracts in effect and management's representation that the listing is complete was obtained.

- 21. Using the listing above, select the five contract "vendors" that were paid the most money during the fiscal period (excluding purchases on state contract and excluding payments to the practitioner). Obtain the related contracts and paid invoices and:

- a) Report whether there is a formal/written contract that supports the services arrangement and the amount paid.

No exceptions were noted as a result of applying this procedure.

- b) Compare each contract's detail to the Louisiana Public Bid Law or Procurement Code. Report whether each contract is subject to the Louisiana Public Bid Law or Procurement Code and:

- If yes, obtain/compare supporting contract documentation to legal requirements and report whether the entity complied with all legal requirements (e.g., solicited quotes or bids, advertisement, selected lowest bidder)

There were no instances of noncompliance noted as a result of applying this procedure.

- If no, obtain supporting contract documentation and report whether the entity solicited quotes as a best practice.

There were no instances of noncompliance noted as a result of applying this procedure.

- c) Report whether the contract was amended. If so, report the scope and dollar amount of the amendment and whether the original contract terms contemplated or provided for such an amendment.

One of the five contracts examined had a change order that reduced the total contract by \$14,491. One of the contracts had a change order adjusting contract terms by \$1,149,170 for unexpected complications during the project. One contract provided for a rate increase consistent with the Consumer Price Index rate increase. One of the contracts was amended to include a phased-in rate increase over two years. The fifth contract tested included a modification of \$11,787 for unexpected complications. The original terms of each of the contracts provided for the amendments noted.

- d) Select the largest payment from each of the five contracts, obtain the supporting invoice, compare the invoice to the contract terms, and report whether the invoice and related payment complied with the terms and conditions of the contract.

There were no instances of noncompliance noted as a result of applying this procedure.

- e) Obtain/review contract documentation and board minutes and report whether there is documentation of board approval, if required by policy or law (e.g. Lawrason Act or Home Rule Charter).

Proper board approval was noted for each contract amendment tested.

Payroll and Personnel

22. Obtain a listing of employees (and elected officials, if applicable) with their related salaries, and obtain management's representation that the listing is complete. Randomly select five employees/officials, obtain their personnel files, and:

Listing of employees with their related salaries and management's representation that the listing is complete was obtained.

- a) Review compensation paid to each employee during the fiscal period and report whether payments were made in strict accordance with the terms and conditions of the employment contract or pay rate structure.

No exceptions were noted as a result of applying this procedure.

- b) Review changes made to hourly pay rates/salaries during the fiscal period and report whether those changes were approved in writing and in accordance with written policy.

No exceptions were noted as a result of applying this procedure.

23. Obtain attendance and leave records and randomly select one pay period in which leave has been taken by at least one employee. Within that pay period, randomly select 25 employees/officials (or randomly select one-third of employees/officials if the entity had less than 25 employees during the fiscal period), and:

- a) Report whether all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)

All selected employees had daily attendance and leave documented.

- b) Report whether there is written documentation that supervisors approved, electronically or in writing, the attendance and leave of the selected employees/officials.

No exceptions were noted as a result of applying this procedure.

- c) Report whether there is written documentation that the entity maintained written leave records (e.g., hours earned, hours used, and balance available) on those selected employees/officials that earn leave.

No exceptions were noted as a result of applying this procedure.

24. Obtain from management a list of those employees/officials that terminated during the fiscal period and management's representation that the list is complete. If applicable, select the two largest termination payments (e.g., vacation, sick, compensatory time) made during the fiscal period and obtain the personnel files for the two employees/officials. Report whether the termination payments were made in strict accordance with policy and/or contract and approved by management.

No exceptions were noted as a result of applying this procedure.

25. Obtain supporting documentation (e.g. cancelled checks, EFT documentation) relating to payroll taxes and retirement contributions during the fiscal period. Report whether the employee and employer portions of payroll taxes and retirement contributions, as well as the required reporting forms, were submitted to the applicable agencies by the required deadlines.

No exceptions were noted as a result of applying this procedure.

Ethics (excluding nonprofits)

26. Using the five randomly selected employees/officials from procedure #22 under "Payroll and Personnel" above, obtain ethics compliance documentation from management and report whether the entity maintained documentation to demonstrate that required ethics training was completed.

No exceptions were noted as a result of applying this procedure.

27. Inquire of management whether any alleged ethics violations were reported to the entity during the fiscal period. If applicable, review documentation that demonstrates whether management investigated alleged ethics violations, the corrective actions taken, and whether management's actions complied with the entity's ethics policy. Report whether management received allegations, whether management investigated allegations received, and whether the allegations were addressed in accordance with policy.

Management asserted that they have received no allegations during the fiscal period.

Debt Service (excluding nonprofits)

28. If debt was issued during the fiscal period, obtain supporting documentation from the entity, and report whether State Bond Commission approval was obtained.

No debt was issued during the fiscal period.

29. If the entity had outstanding debt during the fiscal period, obtain supporting documentation from the entity and report whether the entity made scheduled debt service payments and maintained debt reserves, as required by debt covenants.

All scheduled debt service payments were made and debt reserves were maintained as required by debt covenants.

30. If the entity had tax millages relating to debt service, obtain supporting documentation and report whether millage collections exceed debt service payments by more than 10% during the fiscal period. Also, report any millages that continue to be received for debt that has been paid off.

The City does not have tax millages relating to debt service.

Other

31. Inquire of management whether the entity had any misappropriations of public funds or assets. If so, obtain/review supporting documentation and report whether the entity reported the misappropriation to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

Management has asserted that the entity did not have any misappropriations of public funds or assets.

32. Observe and report whether the entity has posted on its premises and website, the notice required by R.S. 24:523.1. This notice (available for download or print at www.la.gov/hotline) concerns the reporting of misappropriation, fraud, waste, or abuse of public funds.

The entity does not have the required notices posted on its premises and website.

33. If the practitioner observes or otherwise identifies any exceptions regarding management's representations in the procedures above, report the nature of each exception.

No exceptions were observed or identified regarding management's representations in the procedures above.

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

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

Kolder, Champagne, Slaven & Company, LLC
Certified Public Accountants

Lafayette, Louisiana
October 3, 2017