

TOWN OF BRUSLY

Brusly, Louisiana

**FINANCIAL REPORT AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED JUNE 30, 2017

**TOWN OF BRUSLY
POST OFFICE BOX 510
BRUSLY, LOUISIANA 70719
(225) 749-2909**

Mayor

Scot Rhodes

Council Members

David Shane Andre'

Joanne C. Bourgeois

Donald Neisler

Terry Richard

Rusty Daigle

Police Chief

Jonathan Lefeaux

Legal Counsel

Thomas W. Acosta, Jr.

Town Clerk

Blaine Rabalais

Meeting Dates

2nd Monday of Every Month

6:30 PM – Town Hall

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WRIGHT, MOORE, DEHART, DUPUIS & HUTCHINSON, L.L.C.

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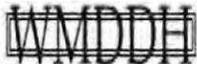
INDEPENDENT AUDITORS' REPORT

JOHN W. WRIGHT, CPA *
JAMES H. DUPUIS, CPA, CFP *
JAN H. COWEN, CPA *
LANCE E. CRAPPELL, CPA, CGMA *
MICAH R. VIDRINE, CPA *
TRAVIS M. BRINSKO, CPA *
RICK L. STUTES, CPA, CVA/ABV,
APA, CFF/MAFF*
CHRISTINE R. DUNN, CPA**
DAMIAN H. SPIESS, CPA, CFP **
JOAN MARTIN, CPA, CVA, CFF, DABFA**

* A PROFESSIONAL CORPORATION
** A LIMITED LIABILITY COMPANY

M. TROY MOORE, CPA*
MICHAEL G. DEHART, CPA * +
JOE D. HUTCHINSON, CPA * +
BRIDGET R. TILLEY, CPA, MT**+

+RETIRED
^DECEASED



ANDRE' D. BROUSSARD, CPA
ALEXANDRA DARDAR, CPA, MBA
ROBERT T. DUCHARME, II, CPA
KAYLEEN FISCHER, CPA
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TINA B. VIATOR, CPA
STEPHANIE L. WEST, CPA, MBA

Honorable Mayor and Council Members
Town of Brusly
Brusly, Louisiana

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund of the Town of Brusly, Louisiana as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Town'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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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 auditors' judgment, including the assessment of the risks 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 unmodified and qualified audit opinions.

Unless otherwise expressly indicated, any tax advice contained in this communication, or attachments are not intended for use and cannot be used (i) to avoid any penalties under the Internal Revenue Code, or (ii) to promote, market or recommend to another party the tax consequences of any matter addressed therein. This communication (and/or the documents accompanying it) may contain confidential information belonging to the sender, which is protected by the Accountant-Client privilege. The information is intended only for the use of the individual or entity named above. If you are not the intended recipient, you are hereby notified that any use, disclosure, copying, distribution, or the taking of any action in reliance on the contents of this information is strictly prohibited. If you have received this communication in error, please notify us by telephone immediately.

Summary of Opinions

<u>Opinion Unit</u>	<u>Type of Opinion</u>
Governmental Activities	Qualified
Business-Type Activities	Unmodified
General Fund	Qualified
Proprietary Fund	Unmodified

Basis for Qualified Opinions on the Governmental Activities and General Fund

Because of the misappropriation of fine revenue in the General Fund, we were unable to form an opinion regarding the completeness of fine revenue as reported in the General Fund and the governmental activities. Also, in the current year, the Town approved implementing post-employment benefits but did not obtain the necessary actuarial calculations to quantify the liability and therefore these financial statements do not reflect that liability.

Qualified Opinions

In our opinion, except for the effects of the matter described in the “Basis for Qualified Opinions on the Governmental Activities and General Fund” paragraph, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the General Fund of the Town of Brusly, 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.

Unmodified Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the proprietary fund of the Town of Brusly, 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 that the budgetary comparison information on page 52, and other required supplementary information as listed in the table of contents, 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 budgetary comparison 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.

Management has omitted the 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 Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 7, 2018, on our consideration of the Town of Brusly'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 Town of Brusly's internal control over financial reporting and compliance.

*Wright, Moore, DeHart,
Dupuis & Hutchinson*

WRIGHT, MOORE, DEHART,
DUPUIS & HUTCHINSON, LLC
(Certified Public Accountants)

Lafayette, Louisiana
February 7, 2018

BASIC FINANCIAL STATEMENTS

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

TOWN OF BRUSLY, LOUISIANA

**STATEMENT OF NET POSITION
JUNE 30, 2017**

	GOVERNMENTAL ACTIVITIES	BUSINESS- TYPE ACTIVITIES	TOTAL
ASSETS			
Current Assets:			
Cash and Cash Equivalents	\$ 2,396,745	\$ 22,467	\$ 2,419,212
Restricted Cash	-	68,391	68,391
Investments	325,683	-	325,683
Taxes Receivable	167,939	-	167,939
Accounts Receivable	24,619	48,643	73,262
Internal Balances	181,715	(181,715)	-
Prepaid Expenses	15,072	-	15,072
Total Current Assets	3,111,773	(42,214)	3,069,559
Non-Current Assets:			
Capital Assets, Net of Accumulated Depreciation	5,290,040	1,390,791	6,680,831
Intangible Assets, Net of Accumulated Amortization	2,685	-	2,685
Total Non-Current Assets	5,292,725	1,390,791	6,683,516
TOTAL ASSETS	\$ 8,404,498	\$ 1,348,577	\$ 9,753,075
DEFERRED OUTFLOWS OF RESOURCES			
Pension Related	\$ 844,004	\$ -	\$ 844,004

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

TOWN OF BRUSLY, LOUISIANA

**STATEMENT OF NET POSITION
JUNE 30, 2017**

	GOVERNMENTAL ACTIVITIES	BUSINESS- TYPE ACTIVITIES	TOTAL
LIABILITIES AND NET POSITION			
LIABILITIES			
Current Liabilities:			
Accounts Payable	\$ 39,066	\$ -	\$ 39,066
Payroll Benefits	2,936	-	2,936
Accrued Wages	17,240	-	17,240
Capital Lease Payable - Current	1,202	-	1,202
Bonds Payable	-	30,000	30,000
Accrued Interest Payable	-	3,378	3,378
Compensated Absences	8,230	-	8,230
	68,674	33,378	102,052
Total Current Liabilities			
Non-Current Liabilities:			
Capital Lease Payable - Long-Term	1,424	-	1,424
Bonds Payable	-	655,000	655,000
Bond Discount	-	(7,651)	(7,651)
Compensated Absences	7,784	-	7,784
Net Pension Liability	1,735,132	-	1,735,132
	1,744,340	647,349	2,391,689
Total Non-Current Liabilities			
	\$ 1,813,014	\$ 680,727	\$ 2,493,741
TOTAL LIABILITIES			
DEFERRED INFLOWS OF RESOURCES			
Pension Related	\$ 105,084	\$ -	\$ 105,084
	105,084	-	105,084
NET POSITION			
Net Investment in Capital Assets	\$ 5,290,040	\$ 713,442	\$ 6,003,482
Unrestricted	2,040,364	(45,592)	1,994,772
	7,330,404	667,850	7,998,254
TOTAL NET POSITION			

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

TOWN OF BRUSLY, LOUISIANA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2017

	Expenses	Program Revenues			Business-Type Activities	Total
		Charges for Services	Operating Grants and Contributions	Governmental Activities		
Governmental Activities						
General Government	\$ 1,072,563	\$ 107,734	\$ 82,407	\$ (882,422)	\$ -	\$ (882,422)
Public Safety	883,778	692,877	-	(190,901)	-	(190,901)
Maintenance	361,570	-	-	(361,570)	-	(361,570)
Highway and Streets	171,400	-	-	(171,400)	-	(171,400)
Total Governmental Activities	<u>2,489,311</u>	<u>800,611</u>	<u>82,407</u>	<u>(1,606,293)</u>	<u>-</u>	<u>(1,606,293)</u>
Business-Type Activities						
Sewer	343,329	290,056	-	-	(53,273)	(53,273)
Total Business-Type Activities	<u>\$ 343,329</u>	<u>\$ 290,056</u>	<u>\$ -</u>	<u>-</u>	<u>(53,273)</u>	<u>(53,273)</u>
General Revenues:						
Sales Taxes				1,755,451	-	1,755,451
Franchise Taxes				146,040	-	146,040
Other Taxes				1,871	-	1,871
Investment Earnings				11,193	166	11,359
(Loss) on Investment				(1,346)	-	(1,346)
Gain (Loss) on Disposal of Fixed Assets				(1,105)	-	(1,105)
Non-Employer Pension Contribution				39,957	-	39,957
Other General Revenues				14,920	35,000	49,920
Total General Revenues				<u>1,966,981</u>	<u>35,166</u>	<u>2,002,147</u>
Change in Net Position				360,688	(18,107)	342,581
Net Position-Beginning				<u>6,969,716</u>	<u>685,957</u>	<u>7,655,673</u>
Net Position-Ending				<u>\$ 7,330,404</u>	<u>\$ 667,850</u>	<u>\$ 7,998,254</u>

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

FUND FINANCIAL STATEMENTS (FFS)

TOWN OF BRUSLY, LOUISIANA

BALANCE SHEET - GOVERNMENTAL FUNDS

JUNE 30, 2017

ASSETS

Cash and Cash Equivalents	2,396,745
Investments	325,683
Prepaid Expenses	15,072
Receivables:	
Taxes Receivable	167,939
Accounts Receivable	24,619
Internal Balances	<u>181,715</u>
 Total Assets	 <u>\$ 3,111,773</u>

LIABILITIES AND FUND BALANCES

Liabilities:	
Accounts Payable	\$ 39,066
Payroll Benefits	2,936
Accrued Payroll	17,240
Compensated Absences - Current	<u>8,230</u>
Total Liabilities	<u>67,472</u>
 Fund Balances:	
Nonspendable	15,072
Unassigned	<u>3,029,229</u>
Total Fund Balances	<u>3,044,301</u>
 Total Liabilities and Fund Balances	 <u>\$ 3,111,773</u>

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

TOWN OF BRUSLY, LOUISIANA

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCE
TO NET POSITION OF GOVERNMENTAL ACTIVITIES
JUNE 30, 2017

Total Governmental Fund Balances	\$ 3,044,301
Amounts reported for governmental activities in the Statement of Net Position are different because:	
The deferred outflows of contributions for the retirement system are not available resources, and therefore, are not reported in the funds.	844,004
Capital assets used in governmental activities are not financial resources, therefore, are not reported in the funds.	5,290,040
Intangible assets used in governmental activities are not financial resources, therefore, are not reported in the funds.	2,685
The deferred inflows of contributions for the retirement system are not payable from current expendable resources and, therefore, are not reported in the funds.	(105,084)
Long-term liabilities are not due and payable in the current period, therefore, are not reported in the funds:	
Capital Lease Payable	(2,626)
Compensated Absences	(7,784)
Net Pension Liability	<u>(1,735,132)</u>
Net Position of Governmental Activities	<u>\$ 7,330,404</u>

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

TOWN OF BRUSLY, LOUISIANA

**STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2017**

Revenues:	
Taxes	\$ 1,903,362
Intergovernmental Revenues	82,407
Licenses & Permits	107,734
Fines	692,877
Investment Income	11,193
Miscellaneous Income	14,920
Loss on Investments	(1,346)
Total Revenues	<u>2,811,147</u>
Expenditures:	
Current -	
General Government	898,567
Public Safety	781,723
Maintenance	325,030
Highway & Streets	61,005
Debt Service -	
Principal Retirement	1,013
Interest and Fiscal Charges	547
Capital Outlay	241,272
Total Expenditures	<u>2,309,157</u>
Excess of Revenues Over Expenditures	<u>501,990</u>
Fund Balances, Beginning	<u>2,542,311</u>
Fund Balances, Ending	<u>\$ 3,044,301</u>

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

TOWN OF BRUSLY, 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**

Net Change in Fund Balances - Total Governmental Funds		\$ 501,990
<p>Amounts reported for governmental activities in the Statement of Activities are different because:</p>		
<p>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 as depreciation expense. This is the amount by which depreciation expense exceeded capital outlay in the current period.</p>		
Capital Outlay	241,272	
Depreciation Expense	(290,533)	(49,261)
<p>Governmental funds report purchases of intangible assets as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as amortization expense. This is the amount by which intangible purchases exceeded amortization expense in the current period.</p>		
Amortization Expense	(895)	(895)
<p>Some expenses reported in the Statement of Activities, such as compensated absences, do not require the use of current financial resources, therefore, are not reported as expenditures in governmental funds.</p>		
		3,239
<p>Repayment of a capital lease is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.</p>		
		1,013
<p>In the Statement of Activities, only the gain (loss) on disposal of assets is reported, whereas in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balance by the difference.</p>		
		(1,105)
<p>Non-employer contributions to cost-sharing pension plan</p>		
		39,957
<p>Pension expense not requiring the use of current economic resources and, therefore, not recorded as a fund expenditure</p>		
		(134,250)
Change in Net Position of Governmental Activities		\$ 360,688

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

TOWN OF BRUSLY, LOUISIANA

STATEMENT OF NET POSITION
PROPRIETARY FUND
JUNE 30, 2017

	<u>Sewer</u>
ASSETS	
Current Assets:	
Cash and Cash Equivalents	\$ 22,467
Restricted Cash	68,391
Accounts Receivable	<u>48,643</u>
Total Current Assets	139,501
Non-Current Assets:	
Capital Assets, Net of Accumulated Depreciation	<u>1,390,791</u>
Total Assets	<u>\$ 1,530,292</u>
LIABILITIES	
Current Liabilities:	
Bonds Payable	\$ 30,000
Internal Balances	181,715
Accrued Interest Payable	<u>3,378</u>
Total Current Liabilities	<u>215,093</u>
Non-Current Liabilities:	
Bonds Payable	655,000
Bond Discount	<u>(7,651)</u>
Total Non-Current Liabilities	<u>647,349</u>
Total Liabilities	<u>\$ 862,442</u>
NET POSITION	
Net Investment in Capital Assets	\$ 713,442
Unrestricted	<u>(45,592)</u>
Total Net Position	<u>\$ 667,850</u>

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

TOWN OF BRUSLY, LOUISIANA

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION -
PROPRIETARY FUND
JUNE 30, 2017

OPERATING REVENUES	
Charges for Services	\$ 290,056
OPERATING EXPENSES	
Personal Services and Benefits	119,558
Repairs and Maintenance	48,163
Sewer Telemetry	15,000
Insurance	3,122
Depreciation	142,375
Total Operating Expenses	<u>328,218</u>
Operating (Loss)	<u>(38,162)</u>
NONOPERATING REVENUES (EXPENSES)	
Interest on Investments	166
Grants	35,000
Interest Expense	<u>(15,111)</u>
Total Nonoperating Revenues and Expenses	<u>20,055</u>
Change in Net Position	(18,107)
Net Position - Beginning	<u>685,957</u>
Net Position - Ending	<u>\$ 667,850</u>

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

TOWN OF BRUSLY, LOUISIANA

**STATEMENT OF CASH FLOWS
PROPRIETARY FUND
JUNE 30, 2017**

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from Customers	\$ 265,107
Payments to Suppliers	(63,865)
Payments to Employees	(119,558)
Decrease in Due to Other Funds	<u>(44,285)</u>
Net Cash Provided by Operating Activities	<u>37,399</u>

CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES

Other Capital Receipts	35,000
Purchase of Capital Assets	(318,012)
Principal Paid on Capital Debt	(25,000)
Interest Paid on Capital Debt	<u>(15,111)</u>
Net Cash Provided by Capital and Related Financing Activities	<u>(323,123)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Interest on Investments	<u>166</u>
Net Cash Provided by Investing Activities	<u>166</u>

Net Decrease in Cash and Cash Equivalents (285,558)

Balance - Beginning of the Year (includes Restricted Cash) 376,416

Balance - End of the Year (includes Restricted Cash) \$ 90,858

**RECONCILIATION OF OPERATING (LOSS) TO NET CASH
PROVIDED BY OPERATING ACTIVITIES**

Operating (Loss)	\$ (38,162)
Adjustments to Reconcile Operating (Loss) to Net Cash Provided by Operating Activities:	
Depreciation	142,375
Increase in Accounts Receivable	(24,949)
Increase/Decrease in Other Liabilities	2,420
Decrease in Due to Other Funds	<u>(44,285)</u>
Net Cash Provided by Operating Activities	<u>\$ 37,399</u>

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

NOTES TO THE FINANCIAL STATEMENTS

TOWN OF BRUSLY, LOUISIANA

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2017

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Town of Brusly, Louisiana (the Town) was incorporated in 1901 under the provisions of the Title 33, Chapter 2, Part 1, of the Louisiana Revised Statutes (Lawrason Act – Act No. 36 of 1898). The Town operates under a Mayor-Board form of government and as permitted under the Act, provides: police protection, streets and sidewalks, health and sanitation, public improvements, recreation, sponsorship of federal programs, and sewer utilities. The mayor and five board members are elected at large to serve four year terms from January 1, 2017 to December 31, 2020. Effective January 1, 2017, the mayor is entitled to a salary of \$4,167 per month, the mayor pro-tem \$650 per month, and each council member \$600 per month, plus \$50 for each special meeting in which a vote is taken. The Town of Brusly, Louisiana, is located in West Baton Rouge Parish, Louisiana, with a geographic area of approximately two square miles. The estimated population is about 2,833 based on the United States census. The Town employees approximately twenty-five persons, serves 995 sewer customers and maintains six miles of street.

FASB ASC Section 2100 – Defining the Financial Reporting Entity (GASB Statement No. 14), established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the Town is considered a primary government, since it is a special purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. As used in GASB Statement No. 14, fiscally independent means that the Town may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt. The Town has oversight of other component units that are, either, blended into the municipality's basic financial statements or discretely presented in a separate column in the government-wide financial statements.

1. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) report information on all of the non-fiduciary activities of the Town of Brusly. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment.

TOWN OF BRUSLY, LOUISIANA

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017**

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Government-Wide and Fund Financial Statements (continued)

Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

All individual governmental funds are reported as separate columns in the fund financial statements.

2. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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 generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The Town reports the following governmental fund:

General Fund - the entity's primary operating fund. It accounts for all financial resources of the entity, except those required to be accounted for in another fund.

TOWN OF BRUSLY, LOUISIANA

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017**

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**2. Measurement Focus, Basis of Accounting, and Financial Statement Presentation
(continued)**

Additionally, the Town reports the following fund types:

Enterprise Funds - accounts for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. The Town's enterprise fund consists of activities of the sewer facility operations.

The Town reports the following major enterprise fund:

The sewer facility fund accounts for the activities of the sewer facility throughout the Town.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the government's enterprise operations. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the proprietary fund are sewer fees.

Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

TOWN OF BRUSLY, LOUISIANA

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017**

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3. Deposits and Investments

Under State law, the Town may invest in United States bonds, treasury notes or certificates, time certificates of deposit of State banks having their principal office in the State of Louisiana, or any other *federally insured investment*. In accordance with FASB ASC 820, "Fair Value Measurement and Disclosures", investments meeting the criteria specified in the Statement are stated at fair value. Investments that do not meet the requirements are stated at cost. In addition, local governments in Louisiana are authorized to invest in the Louisiana Asset Management Pool (LAMP), a nonprofit corporation formed by the State Treasurer and organized under the laws of the State of Louisiana, which operates a local government investment pool. At June 30, 2017, the Town's investments in LAMP, which are stated at fair value based on quoted market rates, amounted to \$26,724.

4. Receivables and Payables

Receivables consist of all revenues earned at year end and not yet received.

The Town receives approximately ten (10) percent of the parish sales taxes collected in the West Baton Rouge Parish and ten (10) percent of the District sales taxes for general government.

Payables consist of all expenses incurred at year end and not yet paid.

5. Inventories and Prepaid Items

All immaterial inventories of the governmental funds are recorded as expenditures when purchased rather than when consumed. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

6. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., streets), are reported in the applicable governmental activities columns in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost (the extent to which fixed asset costs have been estimated and the methods of estimation should be disclosed) if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Town of Brusly maintains a threshold level of \$2,500 or more for capitalizing capital assets.

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.

TOWN OF BRUSLY, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

7. Capital Assets (continued)

All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Buildings and building improvements	40 years
Equipment	5-10 years
Vehicles	5-10 years
Infrastructure	20-50 years

8. Compensated Absences

The Town of Brusly's recognition and measurement criteria for compensated absences follows:

FASB ASC C60 – Compensated Absences (GASB Statement No. 16) provides that vacation leave and other compensated absences with similar characteristics should be accrued as a liability as the benefits are earned by the employees if both of the following conditions are met:

1. The employees' rights to receive compensation are attributable to services already rendered.
2. It is probable that the employer will compensate the employees for the benefits through paid time off or some other means, such as cash payments at termination or retirement.

FASB ASC C60 – Compensated Absences (GASB Statement No. 16) provides that a liability for sick leave should be accrued using one of the following termination approaches:

1. An accrual for earned sick leave should be made only to the extent it is probable that the benefits will result in termination payments, rather than be taken as absences due to illness or other contingencies, such as medical appointments and funerals.
2. Alternatively, a governmental entity should estimate its accrued sick leave liability based on the sick leave accumulated at the balance sheet date by those employees who currently are eligible to receive termination payments as well as other employees who are expected to become eligible in the future to receive such payments.

TOWN OF BRUSLY, LOUISIANA

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017**

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

8. Compensated Absences (continued)

The entire compensated absences liability is reported on the government-wide financial statements. For governmental fund financial statements, the current portion of unpaid compensated absences is the amount that is normally expected to be paid using expendable available financial resources. These amounts are recorded in the account "compensated absences" in the fund from which the employees who have accumulated leave are paid. The non-current portion of the liability is not reported in the governmental funds.

9. Long-Term Obligations

In the government-wide financial statements, and the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

10. Net Position in the Government-Wide Financial Statements

In the government-wide statement of net position, the net position amount is classified and displayed in three components.

1. Net investment in capital assets – This component consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those capital assets.
2. Restricted net position – This component consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
3. Unrestricted net position – This component consists of all other net positions that do not meet the definition of "restricted" or "net investment in capital assets."

TOWN OF BRUSLY, LOUISIANA

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017**

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

10. Net Position in the Government-Wide Financial Statements (continued)

When both restricted and unrestricted resources are available for use in a specific program or for a specific purpose, the Town's usual policy is to use restricted resources first to finance its activities.

11. Fund Equity – Fund Financial Statements

Governmental fund equity is classified as fund balance. Beginning with FY 2011, the Town implemented GASB Statement 54, *Fund Balance Reporting and Governmental Fund Type Definitions* (FASB ASC 1300 and 1800). This statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the purpose for which resources can be used:

- a. Non-spendable: This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Management classifies prepaid expenditures as being non-spendable as this item is not expected to be converted to cash.
- b. Restricted: This classification includes amounts for which constraints have been placed on the use of resources are either:
 - a) Externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws of regulations of other governments; or
 - b) Imposed by law through constitutional provisions or enabling legislation.
- c. Committed: This classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action (resolution) of the Town's board of aldermen, which is the Town's highest level of decision-making authority. These amounts cannot be used for any other purpose unless the board of aldermen removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The Town did not have any committed resources as of year-end.

TOWN OF BRUSLY, LOUISIANA

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017**

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

11. Fund Equity – Fund Financial Statements (continued)

- d. Assigned: This classification includes spendable amounts that are reported in governmental funds other than the General Fund, that are neither restricted nor committed, and amounts in the General Fund that are intended to be used for a specific purpose in accordance with the provisions of GASB Statement 54. The intent of an assigned fund balance should be expressed by either the Town's board of aldermen, or a subordinate high-level body, such as a finance committee, or an official, such as the Mayor, that has the authority to assign amounts to be used for specific purposes. The Town's management has not assigned any amounts at year-end.
- e. Unassigned: This classification is the residual fund balance for the General Fund. It also represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned for specific purposes within the General Fund.

When fund balance resources are available for a specific purpose in multiple classifications, the Town would use the most restrictive funds first in the following order: restricted, committed, assigned, and unassigned as they are needed. However, it reserves the right to selectively spend unassigned resources first and to defer the use of the other classified funds.

12. 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.

B. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

BUDGET INFORMATION

The Town uses the following budget practices:

- 1. The budgetary calendar – The public hearing on the budget announcement is published in the official journal in May. In June, a public hearing on the budget is held and after any discussion the budget is adopted.
- 2. Appropriations (unexpended budget balances) lapse at year-end.
- 3. There are no outstanding encumbrances.

TOWN OF BRUSLY, LOUISIANA

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017**

B. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (continued)

BUDGET INFORMATION

The Town uses the following budget practices:

4. The GAAP basis is used in preparing and reporting the budgets and those funds not budgeted.
5. The Board of Aldermen will meet as needed to make changes or amendments within the various budget classifications.

C. CASH AND CASH EQUIVALENTS

At June 30, 2017, the Town of Brusly has cash and cash equivalents (book balances) totaling \$2,487,608 as follows:

	General	Sewer
Demand Deposits	\$ 404,413	\$ -
Interest-Bearing Demand Deposits	-	62,309
Money Market Accounts	1,991,582	6,082
Petty Cash	750	-
Total	\$ 2,396,745	\$ 68,391

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

At June 30, 2017, the Town has \$2,410,812 in deposits (bank balances). These deposits are secured from risk by federal deposit insurance and \$2,001,388 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

TOWN OF BRUSLY, LOUISIANA

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017**

D. INVESTMENTS

Investments are categorized into these three categories of credit risk:

1. Insured or registered, or securities held by the Town or its agent in the Town's name
2. Uninsured and unregistered, with securities held by the counter party's trust department or agent in the Town's name
3. Uninsured and unregistered, with securities held by the counter party, or by its trust department or agent but not in the Town's name

At fiscal year-end, the Town's investment balances were as follows:

<u>Type of Investment</u>	<u>Category 1</u>	<u>Fair Value</u>	<u>Cost</u>	<u>Total Carrying Amount</u>
Certificates of Deposit	\$ 298,959	\$ 298,959	\$ 298,959	\$ 298,959
Total	<u>\$ 298,959</u>			
Investments Not Subject to Categorization:				
External Investment Pool (LAMP)		<u>26,724</u>	<u>26,724</u>	<u>26,724</u>
Total Investments		<u>\$ 325,683</u>	<u>\$ 325,683</u>	<u>\$ 325,683</u>

The Town can invest in direct debt securities of the United States unless such an investment is expressly prohibited by law. The Town's investments are categorized to give an indication of the level of risk assumed by it at year end. Category 1 includes investments that are insured or registered or for which the securities are held by the Town or its agent in the Town's name. Category 2 includes uninsured and unregistered investments with securities held by the counterparty's trust department or agent in the Sheriff's name.

Category 3 includes uninsured and unregistered investments with securities held by the counterparty, or by its trust department or agent, but not in the Town's name.

In accordance with GASB Codification Section 150.128, the investment in Louisiana Asset Management Pool (LAMP) is not categorized in the three risk categories provided by the GASB Codification Section 150.164 because the investment is in the pool of funds and thereby not evidenced by securities that exist in physical or book entry form.

TOWN OF BRUSLY, LOUISIANA

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017**

D. INVESTMENTS (continued)

LAMP is administered by LAMP, Inc. a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LA-R.S. 33:2955. GASB Statement No. 40 Deposit and Investment Risk Disclosure, requires disclosure of credit risk, custodial credit risk, concentration of credit risk, interest risk, and foreign currency risk for all public entity investments.

LAMP is a 2a7-like investment pool. The following facts are relevant for 2a7 like investment pools:

- Credit risk: LAMP is rated AAAM by Standard & Poor's
- Custodial credit risk: LAMP participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is the pool, not the securities that make up the pool; therefore, no disclosure is required.
- Interest rate risk: 2a7- like investment pools are excluded from this disclosure requirement, per paragraph 15 of the GASB 40 statement.
- Foreign currency risk: Not applicable to 2a7-like pools.

The investments in LAMP are stated at fair value based on quoted market rates. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the net asset value of the pool shares.

LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company.

TOWN OF BRUSLY, LOUISIANA

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017**

E. RECEIVABLES

The receivables of \$241,201 at June 30, 2017, are as follows:

<u>Class of Receivable</u>	<u>General Fund</u>	<u>Sewer Fund</u>	<u>Total</u>
Taxes:			
Sales and use	\$ 132,352	\$ -	\$ 132,352
Other	<u>35,587</u>	<u>-</u>	<u>35,587</u>
	167,939	-	167,939
Accounts Receivable	<u>24,619</u>	<u>48,643</u>	<u>73,262</u>
Total	<u>\$ 192,558</u>	<u>\$ 48,643</u>	<u>\$ 241,201</u>

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

F. INTER-FUND RECEIVABLES AND PAYABLES – FUND FINANCIAL STATEMENTS

Because the Town operates with only one checking account for both the general and sewer funds, it has to pay for costs using its General Fund money and then request reimbursement for the advanced costs under the sewer fund. Such advances create short-term inter-fund loans. A summary of these inter-fund loans, at year-end, is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Proprietary Fund-Sewer	\$181,715

TOWN OF BRUSLY, LOUISIANA

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017**

G. CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended June 30, 2017, for the primary government is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital Assets, Not Being Depreciated				
Land	\$ 110,001	\$ -	\$ -	\$ 110,001
Total Capital Assets, Not Being Depreciated	110,001	-	-	110,001
 Capital Assets Being Depreciated				
Buildings	3,960,745	-	-	3,960,745
Machinery and Equipment	1,035,545	65,468	(24,488)	1,076,525
Infrastructure	2,110,300	175,804	-	2,286,104
Total Capital Assets Being Depreciated	7,106,590	241,272	(24,488)	7,323,374
 Less Accumulated Depreciation:				
Buildings	(560,847)	(96,940)	-	(657,787)
Equipment	(650,463)	(83,198)	23,383	(710,278)
Infrastructure	(664,875)	(110,395)	-	(775,270)
Total Accumulated Depreciation	(1,876,185)	(290,533)	23,383	(2,143,335)
 Total Capital Assets, Net	\$ 5,340,402	\$ (49,261)	\$ (1,105)	\$ 5,290,040
 Business-Type Activities:				
Capital Assets Being Depreciated:				
Improvements Other Than Buildings	\$ 4,183,030	\$ -	\$ -	\$ 4,183,030
Machinery and Equipment	461,656	35,270	-	496,926
Total Capital Assets Being Depreciated	4,644,686	35,270	-	4,679,956
 Construction in Progress	-	282,742	-	282,742
 Less Accumulated Depreciation:				
Improvements Other Than Buildings	(3,104,493)	(104,576)	-	\$ (3,209,069)
Machinery and Equipment	(325,039)	(37,799)	-	(362,838)
Total Accumulated Depreciation	(3,429,532)	(142,375)	-	(3,571,907)
 Total Business-Type Activities Being Depreciated, Net	\$ 1,215,154	\$ 175,637	\$ -	\$ 1,309,791

TOWN OF BRUSLY, LOUISIANA

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017**

G. CAPITAL ASSETS (continued)

Depreciation expense of \$290,533 for the year ended June 30, 2017, was charged to the following governmental functions:

General	\$ 38,618
Police	102,289
Maintenance	39,231
Highway and Streets	<u>110,395</u>
 Total Depreciation - Governmental Activities	 <u>\$ 290,533</u>
 Sewer Fund	 <u>\$ 142,375</u>
 Total Depreciation - Business-Type Activities	 <u>\$ 142,375</u>
 Total Depreciation	 <u>\$ 432,908</u>

H. LONG-TERM OBLIGATIONS

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

	<u>Bonded Debt</u>	<u>Compensated Absences</u>	<u>Capital Lease</u>	<u>Pension Liability</u>	<u>Total</u>
Long-Term Obligations, July 1	\$ 710,000	\$ 23,540	\$ 3,639	\$ 1,288,485	\$ 2,025,664
Additions	-	-	-	446,647	446,647
Deductions	<u>(25,000)</u>	<u>(7,526)</u>	<u>(1,013)</u>	<u>-</u>	<u>(33,539)</u>
 Long-Term Obligations, June 30	 <u>\$ 685,000</u>	 <u>\$ 16,014</u>	 <u>\$ 2,626</u>	 <u>\$ 1,735,132</u>	 <u>\$ 2,438,772</u>

The following is a summary of the current (due in one year or less) and the long-term (due in more than one year) portions of long-term obligations as of June 30, 2017:

	<u>Bonded Debt</u>	<u>Compensated Absences</u>	<u>Capital Lease</u>	<u>Pension Liability</u>	<u>Total</u>
Current Portion	\$ 30,000	\$ 8,230	\$ 1,202	\$ -	\$ 39,432
Long-term Portion	<u>655,000</u>	<u>7,784</u>	<u>1,424</u>	<u>1,735,132</u>	<u>2,399,340</u>
 Total	 <u>\$ 685,000</u>	 <u>\$ 16,014</u>	 <u>\$ 2,626</u>	 <u>\$ 1,735,132</u>	 <u>\$ 2,438,772</u>

TOWN OF BRUSLY, LOUISIANA

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017**

H. LONG-TERM OBLIGATIONS (continued)

Bonded Debt

On May 9, 2016, \$710,000 in Sewer Revenue Bonds and Refunding Bonds, Series 2016 with an average interest rate of 2.875 percent were issued to refund \$422,136 of outstanding Sewer Revenue Bonds, Series 1983 and Sewer Revenue Bonds, Series 1996 with an average interest rate of 5.5 percent. The remaining proceeds will be used for Sewer Projects.

The municipal bonds outstanding as of June 30, 2017, totaling \$685,000, are 2016 Sewer Revenue Bonds maturing 2036 with a variable interest rate between 2.000% and 3.625%. Bond principal and interest payable in the next fiscal year are \$30,000, and \$20,556, respectively.

The individual issues are as follows:

<u>Bond</u>	<u>Original Issue</u>	<u>Interest Rate</u>	<u>Final Payment Due</u>	<u>Interest To Maturity</u>	<u>Principal Outstanding</u>	<u>Funding Source</u>
2016 Sewer Revenue Bonds	\$ 710,000	Variable	2036	\$ 242,993	\$ 685,000	Sewer Fees

All principal and interest requirements are funded in accordance with Louisiana law by sewer fees within the Town. At June 30, 2017, the municipality has accumulated \$68,391 in the debt service funds for future debt requirements. The bonds are due as follows:

<u>Year Ended June 30,</u>	<u>Principal Payments</u>	<u>Interest Payments</u>	<u>Total</u>
2018	\$ 30,000	\$ 20,556	\$ 50,556
2019	30,000	19,956	49,956
2020	30,000	19,356	49,356
2021	30,000	18,756	48,756
2022	30,000	18,156	48,156
2023-2027	165,000	77,994	242,994
2028-2032	190,000	51,906	241,906
2033-2036	180,000	16,313	196,313
Total	\$ 685,000	\$ 242,993	\$ 927,993

Capital Lease

On July 29, 2014, the Town entered into a lease for a copy machine through AllFax Capital, LLC. The lease is for sixty (60) months at an interest rate of 17.16% per annum, with monthly payments of \$130. There is an option to purchase at the end of the lease.

TOWN OF BRUSLY, LOUISIANA

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017**

H. LONG-TERM OBLIGATIONS (continued)

Capital Lease (continued)

The following is an analysis of the leased asset included in Property and Equipment:

Equipment	\$ 4,172
Less: accumulated depreciation	<u>(2,086)</u>
	<u>\$ 2,086</u>

The following is a schedule by years of future minimum payments required under the lease together with their present value as of June 30:

2018	\$ 1,561
2019	<u>1,557</u>
Total minimum lease payments	3,118
Less amount representing interest	<u>(492)</u>
Present value of minimum lease payments	<u>\$ 2,626</u>

I. PENSION PLAN

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pension, and pension expense, information about the fiduciary net position of the Louisiana Municipal Employees' Retirement System and the Louisiana Municipal Police Employees' Retirement System, and additions to/deductions from the system's fiduciary net position have been determined on the same basis as they are reported by the systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Substantially all employees of the Town of Brusly are members of the following statewide retirement systems: Municipal Employees Retirement System of Louisiana or Municipal Police Employees Retirement System of Louisiana. These systems are cost-sharing, multiple-employer defined benefit pension plans administered by separate boards of trustees. Pertinent information relative to each plan follows:

1. Municipal Employees Retirement System of Louisiana (System)

Plan Description - The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All employees of the municipality are members of Plan B.

TOWN OF BRUSLY, LOUISIANA

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017**

I. PENSION PLAN (continued)

1. Municipal Employees Retirement System of Louisiana (System) (continued)

Plan Description (continued) - All permanent employees working at least 35 hours per week who are not covered by another pension plan and are paid wholly or in part from municipal funds and all elected municipal officials are eligible to participate in the System.

Under Plan B, employees who retire at or after age 60 with at least 10 years of creditable service at or after age 55 with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 2% of their final-average monthly salary in excess of \$100 for each year of creditable service.

Furthermore, employees with at least 10 years of creditable service, but less than 30 years, may take early retirement benefits commencing at or after age 60, with the basic benefit reduced 3% for each year retirement precedes age 62, unless he has at least 30 years of creditable service. In any case, monthly retirement benefits paid under Plan B cannot exceed 100% of final-average salary.

Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The Municipal Employees' Retirement System of Louisiana issues a stand-alone report on their financial statements. Access to the report can be found on the Louisiana Legislative Auditor's website, www.la.la.gov.

Funding Policy - Under Plan B, members are required by state statute to contribute 5.0% of their annual covered salary and the Town of Brusly is required to contribute at an actuarially determined rate. The current rate is 9.50% of annual covered payroll. Contributions to the System also include one-fourth of 1% (except Orleans and East Baton Rouge parishes) of the taxes shown to be collectible by the tax rolls of each parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The Town of Brusly contributions to the System under Plan B for the years ending June 30, 2017, 2016 and 2015, were \$48,714, \$44,322, and \$41,801 respectively, equal to the required contributions for each year.

TOWN OF BRUSLY, LOUISIANA

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017**

I. PENSION PLAN (continued)

1. Municipal Employees Retirement System of Louisiana (System) (continued)

Cost of Living Increases – The System is authorized under state law to grant a cost of living increase to members who have been retired at least one year. The adjustment cannot exceed 2% of the retiree’s original benefit for each full calendar year since retirement and may only be granted if sufficient funds are available from investment income in excess of normal requirements. State law allows the System to grant an additional cost of living increase to all retirees and beneficiaries who are age sixty-five and above equal to 2% of the benefit being received on October 1, 1977, or the original benefit, if retirement commenced after that date.

Deferred Benefits – The plan provides for deferred benefits for members who terminate before being eligible for retirement. Once the member reaches the appropriate age for retirement, benefits become payable. Benefits are based on statutes in effect at time of withdrawal.

Employer Contributions – According to state statute, contribution requirements for all employers are actuarially determined each year. For the year ending June 30, 2016, the actual employer contribution rate was 9.50%.

In accordance with state statute, the System receives ad valorem taxes and state revenue sharing funds. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities, but are not considered special funding situations.

Schedule of Employer Allocations – The schedule of employer allocations reports the historical employer contributions in addition to the employer allocation percentage. The historical employer contributions are used to determine the proportionate relationship of each employer to all employers of Municipal Employees’ Retirement System. The employer’s proportion was determined on a basis that is consistent with the manner in which contributions to the pension plan are determined. The allocation percentages were used in calculating each employer’s proportionate share of the pension amounts.

The allocation method used in determining each employer’s proportion was based on the employer’s contributions to the System during the fiscal year ended June 30, 2016 as compared to the total of all employers’ contributions received by the System during the fiscal year ended June 30, 2016.

TOWN OF BRUSLY, LOUISIANA

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017**

I. PENSION PLAN (continued)

1. Municipal Employees Retirement System of Louisiana (System) (continued)

Schedule of Pension Amounts by Employer – The schedule of pension amounts by employer displays each employer’s allocation of the net pension liability, the various categories of deferred outflows of resources, the various categories of deferred inflows of resources, and the various categories of pension expense. The schedule of pension amounts by employer was prepared using the allocations included in the schedule of employer allocation.

Actuarial Methods and Assumptions – The net pension liability was measured as the portion of the present value of projected benefit payments to be provided through the pension plan to current active and inactive employees that is attributed to those employees’ past periods of service, less the amount of the pension plan’s fiduciary net position.

The components of the net pension liability of the System’s employers as of June 30, 2016 are as follows:

	PLAN B
Total Pension Liability	\$ 226,092,430
Plan Fiduciary Net Position	<u>143,201,586</u>
Total Net Pension Liability	<u>\$ 82,890,844</u>

The Town’s allocation is .661932% of the Total Net Pension Liability.

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2016 are as follows:

Valuation Date	June 30, 2016
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Investment Rate of Return	7.5%, net of investment expense
Projected Salary Increases	5.0% (2.875% Inflation, 2.125% Merit)
Mortality Rates:	RP - 2000 Employee Table for Active Members
	RP - 2000 Healthy Annuitant Table for Healthy Annuitants
	RP - 2000 Disabled Lives Mortality Tables for Disabled Annuitants

TOWN OF BRUSLY, LOUISIANA

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017**

I. PENSION PLAN (continued)

1. Municipal Employees Retirement System of Louisiana (System) (continued)

Actuarial Methods and Assumptions – A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2016 are as follows:

Expected Remaining Service Lives	4 years for Plan B
Cost of Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees.

The mortality rate assumption used was verified by combining data from the plan with three other statewide plans which have similar workforce composition in order to produce a credible experience. The aggregated data was collected over the period July 1, 2009 through June 30, 2014. The data was then assigned credibility weighting and combined with a standard table to produce current levels of mortality. This mortality was then projected forward to a period equivalent to the estimated duration of the System's liabilities. Annuity values calculated based on this mortality were compared to those produced by using a setback of standard tables. The result of the procedure indicated that these tables would produce liability values approximating the appropriate generational mortality tables used.

The discount rate used to measure the total pension liability was 7.5%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by PRSAC taking into consideration the recommendation of the System's actuary. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

TOWN OF BRUSLY, LOUISIANA

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017**

I. PENSION PLAN (continued)

1. Municipal Employees Retirement System of Louisiana (System) (continued)

Sensitivity to Changes in Discount Rate – The following presents the net pension liability of the participating employers calculated using the discount rate of 7.5%, as well as what the employers net pension liability would be if it were calculated using a discount rate that is one percentage point lower, or one percentage point higher than the current rate as of June 30, 2016:

	Plan B		
	1% Decrease 6.50%	Current Discount Rate 7.50%	1% Increase 8.50%
Net Pension Liability	\$ 709,791	\$ 548,682	\$ 411,222

Change in Net Pension Liability – The changes in the net pension liability for the year ended June 30, 2016 were recognized in the current reporting period except as follows:

Differences between Expected and Actual Experience - Differences between expected and actual experience with regard to economic or demographic factors in the measurement of the total pension liability were recognized in pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan. The difference between expected and actual experience resulted in deferred outflows of resources in the amount of \$4,500 for Plan B, for the year ended June 30, 2016 and a deferred inflow of resources in the amount of \$7,928 for Plan B, for the year ended June 30, 2016.

Differences between Projected and Actual Investment Earnings - Differences between projected and actual investment earnings on pension plan investments were recognized in pension expense using the straight-line amortization method over a closed five-year period. The difference between projected and actual investment earnings resulted in a deferred outflow of resources in the amount of \$134,491 for the year ended June 30, 2016.

Change of Assumptions - The changes in assumptions about future economic or demographic factors were recognized in pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan. The changes of assumptions resulted in deferred outflows of resources in the amount of \$27,341 for Plan B, for the year ended June 30, 2016.

TOWN OF BRUSLY, LOUISIANA

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017

I. PENSION PLAN (continued)

1. Municipal Employees Retirement System of Louisiana (System) (continued)

Change in Proportion - Changes in the employer's proportionate share of the collective net pension liability and collective deferred outflows of resources and deferred inflows of resources since the prior measurement date were recognized in employer's pension expense (benefit) using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided pensions through the pension plan. The changes in proportion resulted in deferred outflows of resources in the amount of \$2,602 for Plan B, for the year ended June 30, 2016 and a deferred inflow of resources in the amount of \$28,989 for Plan B, for the year ended June 30, 2016.

Contributions – Proportionate Share – Differences between contributions remitted to the System and the employer's proportionate share are recognized in pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with a pension through the pension plan. The resulting deferred inflow/outflow and amortization is not reflected in the schedule of employer amounts due to differences that could arise between contributions reported by the System and contributions reported by the participating employer.

Estimates – The process of preparing the schedule of employer allocations and schedule of pension amounts in conformity with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues and expenses. Accordingly, actual results may differ from estimated amounts.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At June 30, 2017, the Town reported a liability of \$548,682 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2016 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. The Town's proportion of the Net Pension Liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2016, the Town's proportion was 0.661932%, which was a decrease of .0700% from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, the Town recognized pension expense of \$91,533 less employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions of \$2,108.

TOWN OF BRUSLY, LOUISIANA

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017**

I. PENSION PLAN (continued)

1. Municipal Employees Retirement System of Louisiana (System) (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued) –

At June 30, 2017, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	\$ 4,500	\$ 7,927
Net Difference between Projected and Actual Investment		
Earnings on Pension Plan Investments	134,491	-
Change in Assumptions	27,341	-
Change in Proportion and Differences between the		
Employers' Contributions and the Employers'		
Proportionate Share of the Contributions	(2,053)	28,989
Employer Contributions Subsequent to Measurement Date	48,714	-
 Total	 \$ 212,993	 \$ 36,916

Deferred outflows of resources of \$48,714 related to pensions resulting from the Town's contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the year ended June 30, 2017.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ended	
6/30/2017	\$ 36,480
6/30/2018	\$ 35,791
6/30/2019	\$ 34,620
6/30/2020	\$ 20,471

TOWN OF BRUSLY, LOUISIANA

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017**

I. PENSION PLAN (continued)

2. Municipal Police Employees Retirement System of Louisiana (System)

Plan Description – All full-time police department employees engaged in law enforcement are required to participate in the System providing he or she does not have to pay social security and providing he or she meets the statutory criteria. The System provides retirement benefits for municipal police offers. The projections of benefit payments in the calculation of the total pension liability includes all benefits to be provided to current active and inactive employees through the System in accordance with benefit terms and any additional legal agreements to provide benefits that are in force at the measurement date.

Benefit provisions are authorized within Act 189 of 1973 and amended by LRS 11:2211-11:2233. The following is a brief description of the plan and its benefits and is provided for general information purposes only. Participants should refer to the appropriate statutes for more complete information.

Membership Prior to January 1, 2013

Employees are eligible for regular retirement after he has been a member of the System and has 25 years of creditable service. Employees who retire at or after age 50 with at least 20 years of creditable service or at or after age 55 with at least 12 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3 1/3% of their final-average salary for each year of creditable service. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average.

Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

Membership Commencing January 1, 2013

Employees are eligible for regular retirement, early retirement, disability and survivor benefits based on Hazardous Duty and Non-Hazardous Duty sub plans. Under the Hazardous Duty sub plan, a member is eligible for regular retirement after he has been a member of the System and has 25 years of creditable service at any age or has 12 years of creditable service at age 55.

Under the Non-Hazardous Duty sub plan, a member is eligible for regular retirement after he has been a member of the System and has 30 years of creditable service at any age, 25 years of creditable service at age 55, or 10 years of creditable service at age 60. Under both sub plans, a member is eligible for early retirement after he has been a member of the System for 20 years with creditable service at any age, with an actuarially reduced benefit from age 55.

TOWN OF BRUSLY, LOUISIANA

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017**

I. PENSION PLAN (continued)

1. Municipal Police Employees Retirement System of Louisiana (System) (continued)

Membership Commencing January 1, 2013 (continued)

Under the Hazardous and Non-Hazardous Duty sub plans, the benefit rates are three percent and two and a half percent, respectively, of average final compensation (average monthly earnings during the highest 60 consecutive months or joined months if service was interrupted) per number of years of creditable service not to exceed 100% of final salary.

Upon death of an active contributing member, or disability retiree, the plan provides for surviving spouses and minor children. Under certain conditions outlined in the statutes, the benefits range from twenty-five to fifty-five percent of the member's average final compensation for the surviving spouse. In addition, each child under age eighteen receives ten percent of average final compensation or \$200 per month whichever is greater. If deceased member had less than ten years of service, beneficiary will receive a refund of employee contributions only.

Cost of Living Adjustments - The Board of Trustees is authorized to provide annual cost-of-living adjustments computed on the amount of the current regular retirement, disability, beneficiary or survivor's benefit, not to exceed 3% in any given year. The Board is authorized to provide an additional 2% COLA, computed on the member's original benefit, to all regular retirees, disability, survivors and beneficiaries who are 65 years of age or older on the cut-off date which determines eligibility. No regular retiree, survivor or beneficiary shall be eligible to receive a cost-of-living adjustment until benefits have been received at least one full fiscal year and the payment of such COLA, when authorized, shall not be effective until the lapse of at least one-half of the fiscal year. Members who elect early retirement are not eligible for cost-of-living adjustments until they reach regular retirement age.

Deferred Retirement Option Plan - A member is eligible to elect to enter the deferred retirement option plan (DROP) when he is eligible for regular retirement based on the members' sub plan participation. Upon filing the application for the program, the employee's active membership in the System is terminated. At the entry date into DROP, the account is equal to the benefit computed under the retirement plan elected by the participant at date of application. The duration of participation in the DROP is thirty six months or less. If employment is terminated after the three-year period the participant may receive his benefits by lump sum payment or a true annuity. If employment is not terminated, active contribution membership into the System shall resume and upon later termination, he shall receive additional retirement benefit based on the additional service. For those eligible to enter DROP prior to January 1, 2004, DROP accounts shall earn interest subsequent to the termination of DROP participation at a rate of half of one percentage point below the percentage rate of return of the System's investment portfolio as certified by the actuary on an annual basis but will never lose money.

TOWN OF BRUSLY, LOUISIANA

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017**

I. PENSION PLAN (continued)

2. Municipal Police Employees Retirement System of Louisiana (System) (continued)

Deferred Retirement Option Plan (continued)- For those eligible to enter DROP subsequent to January 1, 2004, an irrevocable election is made to earn interest based on the System's investment portfolio return or a money market investment return. This could result in a negative earnings rate being applied to the account.

If the member elects a money market investment return, the funds are transferred to a government money market account.

Initial Benefit Option Plan - In 1999, the State Legislature authorized the System to establish an Initial Benefit Option program. Initial Benefit Option is available to members who are eligible for regular retirement and have not participated in DROP. The Initial Benefit Option program provides both a one-time single sum payment of up to 36 months of regular monthly retirement benefit, plus a reduced monthly retirement benefit for life. Interest is computed on the balance based on same criteria as DROP.

Employer Contributions - Contributions for all members are actuarially determined as required by state law but cannot be less than 9% of the employees' earnable compensation excluding overtime but including state supplemental pay. For the year ended June 30, 2016, total contributions due for employers and employees were 39.5%. The employer and employee contribution rates for all members hired prior to January 1, 2013 and Hazardous Duty members hired after January 1, 2013 were 29.5% and 10%, respectively. The employer and employee contribution rates for all members whose earnable compensation is less than or equal to the poverty guidelines issued by the United States Department of Health and Human Services were 32% and 7.5%, respectively. The Town of Brusly contributions to the System for the years ending June 30, 2017, 2016 and 2015, were \$137,945, \$106,482, and \$91,558, respectively, equal to the required contributions for each year.

Non-employer contributions - The System also receives insurance premium tax monies as additional employer contributions. The tax is considered support from a non-contributing entity and appropriated by the legislature each year based on an actuarial study. Non-employer contributions are recognized as revenue during the year ended June 30, 2016 and excluded from pension expense.

Schedule of Employer Allocations - The schedule of employer allocations reports the required projected combined (employer and employee) contributions in addition to the employer allocation percentage. The required combined contributions are used to determine the proportionate relationship of each employer to all employers of Municipal Police Employees' Retirement System. The employer's proportion was determined on a basis that is consistent with the manner in which contributions to the pension plan are determined. The allocation percentages were used in calculating each employer's proportionate share of pension amounts.

TOWN OF BRUSLY, LOUISIANA

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017

I. PENSION PLAN (continued)

2. Municipal Police Employees Retirement System of Louisiana (System) (continued)

Schedule of Employer Allocations (continued) - The allocation method used in determining each employer's proportion was based on the combined (employer and employee) contributions to the plan for the year ended June 30, 2016.

Schedule of Pension Amounts by Employer - The schedule of pension amounts by employer displays each employer's allocation of the net pension liability, the various categories of deferred outflows of resources, the various categories of deferred inflows of resources, and the various categories of pension expense. The schedule of pension amounts by employer was prepared using the allocations included in the schedule of employer allocation.

Actuarial Methods and Assumptions - The net pension liability was measured as the portion of the present value of projected benefit payments to be provided through the pension plan to current active and inactive employees that is attributed to those employees' past periods of service, less the amount of the pension plan's fiduciary net position.

The components of the net pension liability of the System's employers as of June 30, 2016 are as follows:

Total Pension Liability	\$ 2,760,140,132
Plan Fiduciary Net Position	<u>1,822,858,397</u>
Total Net Pension Liability	<u>\$ 937,281,735</u>

The Town's allocation is .126584% of the Total Net Pension Liability.

Actuarial Methods and Assumptions - The actuarial assumptions used in the June 30, 2016 valuation were based on the assumptions used in the June 30, 2016 actuarial funding valuation, and were based on the results of an actuarial experience study for the period July 1, 2009 - June 30, 2014. In cases where benefit structures were changed after the study period, assumptions were based on estimates of future experience.

TOWN OF BRUSLY, LOUISIANA

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017**

I. PENSION PLAN (continued)

2. Municipal Police Employees Retirement System of Louisiana (System) (continued)

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2016 are as follows:

Valuation Date	June 30, 2016	
Actuarial Cost Method	Entry Age Normal Cost	
Actuarial Assumptions:		
Investment Rate of Return	7.5%, net of investment expense	
Expected Remaining		
Service lives	4 years – 2016, 2015 and 2014	
Inflation Rate	2.875%	
Salary Increases, Including		
Inflation and Merit:	<u>Years of Service</u>	<u>Salary Growth Rate</u>
	1-2	9.75%
	3-23	4.75%
	Over 23	4.25%

The mortality rate assumption used was set based upon an experience study performed by the prior actuary on plan data for the period July 1, 2009 through June 30, 2014 and review of similar law enforcement mortality. The data was then assigned credibility weighting and combined with a standard table to produce current levels of mortality. This mortality was then projected forward to a period equivalent to the estimated duration of the System's liabilities. Annuity values calculated based on this mortality were compared to those produced by using a setback of standard tables. The result of the procedure indicated that these tables used would produce liability values approximating the appropriate generational mortality tables.

The discount rate used to measure the total pension liability was 7.5%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by PRSAC taking into consideration the recommendation of the System's actuary. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

TOWN OF BRUSLY, LOUISIANA

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017**

I. PENSION PLAN (continued)

2. Municipal Police Employees Retirement System of Louisiana (System) (continued)

Sensitivity to Changes in Discount Rate – The following presents the net pension liability of the participating employers calculated using the discount rate of 7.5%, as well as what the employers net pension liability would be if it were calculated using a discount rate that is one percentage point lower 6.5%, or one percentage point higher 8.5% than the current rate as of June 30, 2016:

	Changes in Discount Rate:		
	1% Decrease 6.5%	Current Discount Rate 7.5%	1% Increase 8.5%
Net Pension Liability	\$ 1,581,638	\$ 1,186,450	\$ 854,651

Change in Net Pension Liability – The changes in the net pension liability for the year ended June 30, 2016 were recognized in the current reporting period as pension expense except as follows:

Differences between Expected and Actual Experience - Differences between expected and actual experience with regard to economic or demographic factors in the measurement of the total pension liability were recognized in pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan. The difference between expected and actual experience resulted in a deferred inflow of resources in the amount of \$18,873, for the year ended June 30, 2016.

Differences between Projected and Actual Investment Earnings - Differences between projected and actual investment earnings on pension plan investments were recognized in pension expense using the straight-line amortization method over a closed five-year period. The difference between projected and actual investment earnings resulted in a deferred outflow of resources in the amount of \$182,563 for the year ended June 30, 2016.

TOWN OF BRUSLY, LOUISIANA

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017

I. PENSION PLAN (continued)

2. Municipal Police Employees Retirement System of Louisiana (System) (continued)

Change of Assumptions - The changes in assumptions about future economic or demographic factors were recognized in pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan. The changes of assumptions resulted in deferred outflows of resources in the amount of \$57,686, for the year ended June 30, 2016 and a deferred inflow of resources in the amount of \$71, for the year ended June 30, 2016.

Change in Proportion - Changes in the employer's proportionate share of the collective net pension liability and collective deferred outflows of resources and deferred inflows of resources since the prior measurement date were recognized in employer's pension expense (benefit) using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided pensions through the pension plan. The changes in proportion resulted in deferred outflows of resources in the amount of \$248,168, for the year ended June 30, 2016 and a deferred inflow of resources in the amount of \$49,224, for the year ended June 30, 2016.

Contributions – Proportionate Share – Differences between contributions remitted to the System and the employer's proportionate share are recognized in pension expense (benefit) using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with a pension through the pension plan. The resulting deferred inflow/outflow and amortization is not reflected in the schedule of employer amounts due to differences that could arise between contributions reported by the Plan and contributions reported by the participating employer.

Estimates – The process of preparing the schedule of employer allocations and schedule of pension amounts in conformity with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues and expenses. Accordingly, actual results may differ from estimated amounts.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At June 30, 2017, the Town reported a liability of \$1,186,450 for its proportionate share of the Net Pension Liability regarding the police retirement. The Net Pension Liability was measured as of June 30, 2016 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. The Town's proportion of the Net Pension Liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2016, the Town's proportion was 0.126584%, which was an increase of .025611% from its proportion measured as of June 30, 2015.

TOWN OF BRUSLY, LOUISIANA

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017**

I. PENSION PLAN (continued)

2. Municipal Police Employees Retirement System of Louisiana (System) (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued) - For the year ended June 30, 2017, the Town recognized pension expense of \$202,115 less employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions of \$(2,090).

At June 30, 2017, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	\$ -	\$ 18,873
Net Difference between Projected and Actual Investment		
Earnings on Pension Plan Investments	182,563	-
Change in Assumptions	57,686	71
Change in Proportion and Differences between the Employers' Contributions and the Employers' Proportionate Share of the Contributions	252,817	49,224
Employer Contributions Subsequent to Measurement Date	137,945	-
Total	\$ 631,011	\$ 68,168

Deferred outflows of resources of \$137,945 related to pensions resulting from the Town's contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the year ended June 30, 2017.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ended	
6/30/2017	\$101,974
6/30/2018	\$155,913
6/30/2019	\$120,642
6/30/2020	\$ 46,370

Retirement System Audit Report – Municipal Police Employees Retirement System issues a stand-alone report on their financial statements. Access to the report can be found on the Louisiana Legislative Auditor's website, www.la.la.gov.

TOWN OF BRUSLY, LOUISIANA

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017**

J. UTILITY SERVICE AGREEMENT

An agreement between the West Baton Rouge Parish Waterworks District No. 2 and the Town of Brusly provides for the billing of customers on the Town's sewer system. This billing agreement went into effect for the month of November 1982. Under the terms of the agreement, the Waterworks District No. 2 is entitled to a portion of the billing fee to cover the cost of collections. At this time, the District remits all collections to the Town.

K. CENTRALIZED COLLECTION AGENCY AGREEMENT

Pursuant to LA R.S. 33:2738.62 as enacted by Act No. 43 of the 1984 Regular Session of the State of Louisiana, the West Baton Rouge Sales Tax District No. 1 was created as the single tax collection for the Parish of West Baton Rouge. The agreement went into effect in 1984 and the agreement authorized the Town to compensate the collection agency its share of the cost of collection or about 4% of the gross amount collected.

L. FRANCHISE AGREEMENTS

The Town has granted two franchises:

Cable Television

A non-exclusive cable franchise was granted to TCI, Inc., now COX Communications, Inc., on September 8, 1980, for a period of ten years. The agreement was amended again on September 8, 2008. The annual franchise fee is 5% of the Company's gross receipts.

Electric

On September 11, 1972, the Town entered into a franchise with Gulf State Utilities Company, now Entergy, to supply electric energy to the Town and the inhabitants thereof for a period of 60 years. In consideration, the Town shall receive a fee of 4.5% of the gross receipts from sales of electricity within the corporate limits of the Town from October 1, 1972 to September 30, 1982, then from November 1, 1982 to September 30, 2032, a fee of 5%.

M. OTHER POSTEMPLOYMENT BENEFITS

In August 2016 an ordinance to provide post-employment benefits to retirees for health insurance was adopted by the Town. To qualify for this benefit, the employee must retire with at least twenty (20) years of full time consecutive service and be at least 55 years old. In addition, the retiree must have been on the Town's health insurance for at least the last ten consecutive years prior to retirement. If deemed eligible, the Town will pay the same monthly premium as a single full-time employee until such time as the retiree reaches Medicare age. For the year ended June 30, 2017, the Town did not have this potential liability calculated by an actuary and as such, the amount is not reflected in these financial statements.

TOWN OF BRUSLY, LOUISIANA

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017**

N. RESERVED AND DESIGNATED FUND BALANCES

Reserves have been set up for revenue bonds payable.

O. ON-BEHALF PAYMENTS FOR FRINGE BENEFITS AND SALARIES

The Town's police chief and police officers received about \$54,367 in police supplemental pay from the State of Louisiana, Department of Public Safety and Corrections. The Town recognizes this supplemental pay received by the employees as revenues and expenditures of the Town. The revenues are reported in the General Fund and the expenditures are included in Public Safety expenditures.

P. RELATED PARTY TRANSACTIONS

There were no related party transactions noted.

Q. RISK MANAGEMENT

The Town is exposed to various risk of loss related to torts, thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The Town has purchased commercial insurance to cover or reduce the risk of loss that might arise should one of these incidents occur. There have been no significant reductions in coverage for the prior year. No settlements were made during the year that exceeded the Town's coverage.

R. JUDGEMENTS, CLAIMS AND SIMILAR CONTINGENCIES

The Town's management believes that any potential lawsuits would be covered by insurance or resolved without any material impact upon the Town's financial statements. No claims were paid out or litigation costs incurred during the year ended June 30, 2017.

S. COMPENSATION PAID TO ELECTED OFFICIALS

Compensation paid to elected officials follows:

Aldermen:

Joanne C. Bourgeois	\$ 6,950
David Shane Andre'	\$ 6,600
Donald Neisler	\$ 6,650
Scot Rhodes	\$ 3,650
Terry Richard	\$ 6,650
Russel Daigle	\$ 3,600

Police Chief: Jonathan Lefeaux \$ 52,162

TOWN OF BRUSLY, LOUISIANA

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017**

T. SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS TO MAYOR

A detail of compensation, benefits, and other payments paid to the Mayor(s) for the year ended June 30, 2017:

<u>Purpose</u>	<u>Vance Norman 7/1/2016-12/31/2016</u>	<u>Scot Rhodes 1/1/2017-6/30/2017</u>
Salary	\$18,700	\$25,000
Benefits – Retirement	2,057	2,750
Auto Allowance	6,000	-

U. SUBSEQUENT EVENTS

Management has evaluated subsequent events through February 7, 2018, which is the date the financial statements were available to be issued for events requiring recording or disclosure in the financial statements for the year ended June 30, 2017. In late December 2017, the Town became aware of a potential misappropriation of fine revenue and launched an internal investigation which uncovered approximately \$48,200 in missing fine revenue spanning several years. The investigation is ongoing to determine the total amount of the misappropriation and law enforcement and the District Attorney's Office are involved in the ongoing investigation.

**REQUIRED SUPPLEMENTARY
INFORMATION**

TOWN OF BRUSLY, LOUISIANA

GENERAL FUND

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL (GAAP BASIS)
YEAR ENDED JUNE 30, 2017**

	Budget		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
Revenues:				
Self-generated Fees, Services and Taxes	\$ 2,649,800	\$ 2,724,800	\$ 2,703,973	\$ (20,827)
Other Revenues	96,000	110,000	107,174	(2,826)
 Total Revenues	 2,745,800	 2,834,800	 2,811,147	 (23,653)
Expenditures:				
Current -				
General Government	1,305,200	1,135,200	898,567	236,633
Public Safety	698,550	740,050	781,723	(41,673)
Maintenance	395,250	360,250	325,030	35,220
Highway and Streets	42,600	42,600	61,005	(18,405)
Debt Service -				
Principal	-	-	547	(547)
Interest	-	-	1,013	(1,013)
Capital Outlay	83,500	32,200	241,272	(209,072)
 Total Expenditures	 2,525,100	 2,310,300	 2,309,157	 2,703
 Excess (Deficiency) of Revenues Over Expenditures	 220,700	 524,500	 501,990	 (22,510)
 Fund Balance, Beginning	 2,542,311	 2,542,311	 2,542,311	 -
 Fund Balance, Ending	 <u>\$ 2,763,011</u>	 <u>\$ 3,066,811</u>	 <u>\$ 3,044,301</u>	 <u>\$ (22,510)</u>

TOWN OF BRUSLY
Brusly, Louisiana

Schedule of Employer's Share of Net Pension Liability
Louisiana Municipal Employees' Retirement System
For the Year Ended June 30, 2017

Year ended June 30,	Employer Proportion of the Net Pension Liability (Asset)	Employer Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered Employee Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2017	0.661932%	548,681	541,517	101.3%	63.34%
2016	0.731949%	497,467	503,307	98.8%	68.71%
2015	0.735399%	345,267	447,164	77.2%	76.94%

This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

TOWN OF BRUSLY
Brusly, Louisiana

Schedule of Employer's Share of Net Pension Liability
Louisiana Municipal Police Employees' Retirement System
For the Year Ended June 30, 2017

Year ended June 30,	Employer Proportion of the Net Pension Liability (Asset)	Employer Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered Employee Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2017	0.126584%	1,186,449	381,486	311.0%	66.04%
2016	0.100973%	791,018	364,516	217.0%	70.73%
2015	0.073947%	462,618	348,842	132.6%	76.94%

This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

TOWN OF BRUSLY
Brusly, Louisiana

Schedule of Employer Contributions
Louisiana Municipal Employees' Retirement System
For the Year Ended June 30, 2017

Year ended June 30,	Contractually Required Contribution	Contributions in Relation to Contractual Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Employee Payroll	Contributions as a % of Covered Employee Payroll
2017	51,444	48,714	2,730	541,517	9.00%
2016	47,814	44,323	3,491	503,307	8.81%
2015	39,127	41,718	(2,591)	447,164	9.33%

This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

TOWN OF BRUSLY
Brusly, Louisiana

Schedule of Employer Contributions
Louisiana Municipal Police Employees' Retirement System
For the Year Ended June 30, 2017

Year ended June 30,	Contractually Required Contribution	Contributions in Relation to Contractual Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Employee Payroll	Contributions as a % of Covered Employee Payroll
2017	123,983	137,945	(13,962)	381,486	36.16%
2016	34,629	106,482	(71,853)	364,516	29.21%
2015	30,524	91,548	(61,024)	348,842	26.24%

This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

**COMPLIANCE
AND
INTERNAL CONTROL**

WRIGHT, MOORE, DEHART, DUPUIS & HUTCHINSON, L.L.C.

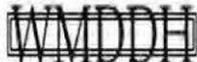
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^RETIRED
^DECEASED



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

Honorable Mayor and
Council Members
Brosly, 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, and each major fund of the Town of Brosly as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Town of Brosly, Louisiana's basic financial statements and have issued our report thereon dated February 7, 2018.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town of Brosly, Louisiana'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 Town of Brosly's internal control. Accordingly, we do not express an opinion on the effectiveness of Town of Brosly'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 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 schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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.

We consider the deficiency described in the accompanying schedule of findings and questioned costs to be a material weakness. Finding 2017-2.

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 deficiency described in the accompanying schedule of findings and questioned costs to be a significant deficiency. Finding 2017-1.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of Brusly'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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*. However, an instance of noncompliance with Louisiana Revised Statutes was noted and is described in the accompanying schedule of findings and questioned costs as item 2017-3.

Town of Brusly's Response to Finding

The Town of Brusly's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The Town of Brusly'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

The purpose of this report is 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.

*Wright, Moore, DeHart,
Dupuis & Hutchinson, LLC*

WRIGHT, MOORE, DeHART,
DUPUIS & HUTCHINSON, LLC
(Certified Public Accountants)

Lafayette, Louisiana
February 7, 2018

TOWN OF BRUSLY, LOUISIANA

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2017**

We have audited the financial statements of the Town of Brusly as of and for the year ended June 30, 2017, and have issued our report thereon dated December 19, 2017. 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 Comptroller General of the United States and the provisions of Louisiana Revised Statutes 24:513 and the Louisiana Governmental Audit Guide. Our audit of the financial statements of June 30, 2017 resulted in an unmodified opinion.

Section I - Summary of Auditors' Reports

A. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control

Material Weaknesses	<u> X </u> Yes	___ No
Significant Deficiencies	<u> X </u> Yes	___ No

Compliance

Compliance Material to Financial Statements	___ Yes	<u> X </u> No
---	---------	---------------

Section II - Financial Statement Findings

Finding No. 2017-1

Statement of Condition:

The Town does not have any employees, nor have they engaged a third party 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.

Criteria:

Government Auditing Standards, issued by Comptroller General of the United States requires governmental units to have employees or engage a third party who has the qualifications and training to apply GAAP in recording the entity's financial transactions or preparing its financial statements, including the related notes.

Effect of Condition:

The lack of ability to generate GAAP basis financial statements on the part of the Town resulted in the auditor assisting in the preparation of the financial statements.

Cause of Condition:

Management did not engage a third party capable of producing GAAP basis financial statements.

Recommendation:

The Town should evaluate the cost vs. benefit of establishing internal controls over the preparation of financial statements in accordance with GAAP to determine if it is in the best interest of the government to outsource this task and then carefully review the draft financial statements and related footnotes prior to approving them and accepting responsibility for their contents and presentation.

TOWN OF BRUSLY, LOUISIANA
SCHEDULE OF CURRENT YEAR FINDINGS
FOR THE YEAR ENDED JUNE 30, 2017

Section II - Financial Statement Findings- continued

Finding No. 2017-2

Statement of Condition:

The Town failed to take all steps necessary to ensure that an effective structure of internal control was in place and functioning as designed in order to prevent, or detect and correct material misstatements on a timely basis.

Criteria:

Government Auditing Standards, issued by Comptroller General of the United States requires that an adequate system of internal control be in place in order to safeguard assets and assure proper recording of transactions.

Effect of Condition:

The lack of adequate controls allowed a misappropriation of assets to occur and not be detected in a timely manner.

Cause of Condition:

Inadequate controls over the collection of fine revenue and reconciliations between the system used to collect and record fine revenue and the general ledger and bank transactions.

Recommendation:

The Town should enhance the control procedures over revenue collections to insure that the supporting records for transactions are reconciled to the general ledger.

Finding No. 2017-3

Statement of Condition:

The Town did not submit audited financial statements in a timely manner, as required by Louisiana Revised Statutes.

Criteria:

Agencies that must report to the Louisiana Legislative Auditor must comply with Louisiana State Statutes and submit their audited financial statements within six months after the fiscal year end.

Effect of Condition:

The delay in the audit submission caused the entity to be out of compliance with Louisiana Revised Statutes.

Cause of Condition:

The Town uncovered potential misappropriation of revenue in December 2017 and immediately requested an extension from the Legislative Auditor's office to file the audit report until such time as the amount of the misappropriation could be determined in order for the audit firm to evaluate the impact of the misappropriation. The extension was granted. No effect on the financial statements.

Recommendation:

Management should implement procedures to insure that all required filing deadlines are met.

Section III - Federal Award Findings and Questioned Costs

This section is not applicable for the current year.

TOWN OF BRUSLY

SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED JUNE 30, 2017

<u>Reference Number</u>	<u>Fiscal Year Finding Initially Occurred</u>	<u>Description</u>	<u>Corrective Action Taken (Yes, No, Partially)</u>
2016-1	6/30/2012	The Town does not have anyone to prepare GAAP based financial statements.	No, repeated as finding 2017-1.



Town of Brusly

P.O. Box 510 • 601 S. Vaughan
Brusly, LA 70719-0510

MAYOR
Scot Rhodes

COUNCIL MEMBERS
Shane Andre'
Joanne Bourgeois
Donald Neisler
Rusty Daigle
Terry Richard

CORRECTIVE ACTION PLAN

JUNE 30, 2017

Louisiana Legislative Auditor

The Town of Brusly respectfully submits the following corrective action plan for the year ended June 30, 2017.

Finding No. 2017-1

Recommendation:

The Town should evaluate the cost vs. benefit of establishing internal controls over the preparation of financial statements in accordance with GAAP to determine if it is in the best interest of the government to outsource this task and then carefully review the draft financial statements and related footnotes prior to approving them and accepting responsibility for their contents and presentation.

Management's Response:

Management has evaluated the cost vs. benefit of outsourcing this task. We believe it is in the best interest of the Town of Brusly to continue to carefully review and take responsibility for the financial statements prepared by the engaged CPA firm. We will evaluate this decision annually and make changes as they are feasible.

Finding No. 2017-2

Recommendation:

The Town should enhance the control procedures over revenue collections to insure that the supporting records for transactions are reconciled to the general ledger.

Management's Response:

Procedures were changed effective immediately upon discovery that a misappropriation had occurred to include the Town no longer accepting cash payments for fines and appropriate reconciliations being performed. Starting January 1, 2018 a new policy was added to allow the town to accept cash payments. A deposit report is reconciled with a system generated report of paid transactions daily. The town does have an insurance policy in place to cover this type of loss.

Finding No. 2017-3

Recommendation:

Management should implement procedures to insure that all required filing deadlines are met.

(225) 749-2909 or (225) 749-2267 • Fax (225) 749-3874

www.bruslyla.com

The Town of Brusly is an Equal Opportunity Employer and Provider of Services



Town of Brusly

P.O. Box 510 • 601 S. Vaughan
Brusly, LA 70719-0510

MAYOR
Scot Rhodes

COUNCIL MEMBERS
Shane Andre'
Joanne Bourgeois
Donald Neisler
Rusty Daigle
Terry Richard

Management's Response:

Management obtained the necessary extension as was suggested by the Legislative Auditor's office due to the misappropriation and has procedures in place to insure filing deadlines are met.

If the Louisiana Legislative Auditor has questions regarding this plan, please contact Blaine Rabalais, Town Clerk at (225) 749-2909.

Sincerely yours,

A handwritten signature in black ink, appearing to read "Scot", followed by a horizontal line extending to the right.

Scot Rhodes
Mayor, Town of Brusly

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TOWN OF BRUSLY

Brusly, Louisiana

Independent Accountants' Report
On Applying Agreed-Upon Procedures

Year Ended June 30, 2017

WRIGHT, MOORE, DEHART, DUPUIS & HUTCHINSON, L.L.C.

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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

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To the Board of Directors and Management
Town of Brusly
Brusly, Louisiana

We have performed the procedures enumerated below, which were agreed to by the management of the Town of Brusly and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about Town of Brusly's compliance with certain laws, regulations and best practices during the year ended June 30, 2017. Management of the Town of Brusly 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.

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

There were no written policies and procedures noted.

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.

Unless otherwise expressly indicated, any tax advice contained in this communication, or attachments are not intended for use and cannot be used: (i) to avoid any penalties under the Internal Revenue Code; or (ii) to promote, market or recommend to another party the tax consequences of any matter addressed therein. This communication (and/or the documents accompanying it) may contain confidential information belonging to the sender, which is protected by the Accountant-Client privilege. The information is indeed only for the use of the individual or entity named above. If you are not the intended recipient, you are hereby notified that any use, disclosure, copying, distribution, or the taking of any action in reliance on the contents of this information is strictly prohibited. If you have received this communication in error, please notify us by telephone immediately.

- 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

The written policies and procedures were not adequate for 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.

The written policies and procedures were not adequate for 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

There were no written policies and procedures noted.

- 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

There were no written policies and procedures noted.

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

Written policies and procedures were obtained and 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.

Written policies and procedures were obtained and 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.

This section is not applicable.

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 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 discuss financial statements and operating results.

- 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.

There was no deficit spending noted.

- 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 non-budgetary financial information was referenced.

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

The bank reconciliations prepared for all accounts examined included evidence of management review.

- 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 no items were outstanding over six months at the end of the fiscal period.

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.

It was noted the persons responsible for collecting cash are bonded and they are responsible for depositing 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.

There is no written policy for reconciling cash.

- 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 month was selected and the highest week of that month. Deposits were made in accordance with the entity's policy.

- 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.

Cash collections are supported by collection documentation with the exception of two.

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.

Written policies and procedures do not specifically address completeness.

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.

Examined supporting documentation for each of the 25 disbursements selected and found that purchases were initiated using the proper approval process.

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

Examined supporting documentation for each of the 25 disbursements selected and found appropriate approval of all purchases.

- 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.

Examined supporting documentation for each of the 25 disbursements and found all payments were processed with proper approval, receiving report and approved invoice.

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 person responsible for processing payments is prohibited from adding vendors.

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.

Written policies and procedures were obtained and address the functions noted 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 and observation noted no exceptions.

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.

This step is not applicable.

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, 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.

Listing was obtained and randomly selected 10 cards.

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 or late charges assessed.

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)

No exceptions noted.

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

No exceptions noted.

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

No exceptions noted.

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.

No exceptions noted.

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.

No exceptions noted.

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 was 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.

Policies were obtained. There are no dollar amounts specified in the policies.

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.

Expenses were paid in accordance with written policy.

- 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 noted.

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

No exceptions noted.

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

No exceptions noted.

- 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.

No exceptions noted.

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

No exceptions noted.

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.

Not applicable. No contracts in effect during fiscal year.

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.

Not applicable.

- 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)

Not applicable.

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

Not applicable.

- 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.

Not applicable.

- 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.

Not applicable.

- 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).

Not applicable.

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 noted.

- 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 noted.

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.)

No exceptions noted.

- 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 noted.

- 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 noted.

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.

It was noted that there were no terminated employees during the fiscal period.

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 noted.

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 noted.

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.

There was no debt 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.

Not applicable.

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.

Not applicable.

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.

Required notices were posted on the entity’s premises. It was noted that the required notices were not posted on the entity’s 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 noted.

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 Town of Brusly 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.

***Wright, Moore, DeHart,
Dupuis & Hutchinson, LLC***

WRIGHT, MOORE, DEHART,
DUPUIS & HUTCHINSON, LLC
Certified Public Accountants

Lafayette, Louisiana
December 20, 2017



Town of Brusly

P.O. Box 510 • 601 S. Vaughan
Brusly, LA 70719-0510

MAYOR
Scot Rhodes

COUNCIL MEMBERS
Shane Andre'
Joanne Bourgeois
Donald Neisler
Rusty Daigle
Terry Richard

December 20, 2017

Wright, Moore, DeHart,
Dupuis & Hutchinson, LLC
P.O. Box 80569
Lafayette, LA 70598

The following is Management's response to the 2016-2017 AUP report submitted.

WRITTEN POLICIES AND PROCEDURES

1. a) Management will work toward writing a formal written policy.
d) Management will work toward expanding the existing policy and procedures.
e) Management will work toward expanding the existing policy and procedures.
f) Management will work toward writing a formal written policy.
g) Management will work toward writing a formal written policy.

BOARD

2. b) Management has already implemented the reviewing of the monthly budget-to-actual comparisons on the general fund and any additional funds identified as major funds at Board Meetings.

COLLECTIONS

6. b) Management will work toward writing a formal written policy.
c) Management will work toward ensuring all documentation is saved.
7. Management will work toward expanding the existing policy and procedures.

OTHER

32. Management will work toward updating the website to include the required notices.

If any additional information is needed, please contact me.

Scot Rhodes
Mayor

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The Town of Brusly is an Equal Opportunity Employer and Provider of Services