

CITY OF BROUSSARD, LOUISIANA

Financial Report

Year Ended June 30, 2019

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INDEPENDENT AUDITORS' REPORT

The Honorable Ray Bourque,
and Members of the Board of Aldermen
City of Broussard, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Broussard, Louisiana, (City) as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Basis for Adverse Opinion on Discretely Presented Component Units

The financial statements referred to above do not include financial data for the City's legally separate component units. Accounting principles generally accepted in the United States of America require the financial data for component units to be reported with the financial data of the City's primary government unless the City also issues financial statements for the financial reporting entity that include the financial data for its component units. The City has not issued such reporting entity financial statements. Because of this departure from accounting principles generally accepted in the United States of America, the assets, liabilities, net assets, revenues, and expenses of the discretely presented component units would have been reported as \$1,595,886, \$60,064, \$1,535,822, \$1,409,622, and \$1,582,935, respectively.

Adverse Opinion

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on Discretely Presented Component Unit" paragraph, the financial statements referred to above do not present fairly the financial position of the discretely presented component unit of the City of Broussard, Louisiana, as of June 30, 2019 or the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Broussard, Louisiana, as of June 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require the budgetary comparison information on pages 39 through 43 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Other Information

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

The combining and comparative statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, these combining and comparative statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole. The prior year comparative information on the combining and comparative statements has been derived from the City of Broussard's 2018 financial statements, which was subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, was fairly presented in all material respects in relation to the basic financial statements from which they have been derived.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 14, 2019, on our consideration of the City of Broussard, Louisiana's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Lafayette, Louisiana
October 14, 2019

BASIC FINANCIAL STATEMENTS

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

CITY OF BROUSSARD, LOUISIANA

Statement of Net Position

June 30, 2019

	Governmental Activities	Business- Type Activities	Total
ASSETS			
Current assets:			
Cash and interest-bearing deposits	\$ 16,345,155	\$ 564,187	\$16,909,342
Receivables, net	2,876,882	473,396	3,350,278
Internal balances	967,760	(967,760)	-
Due from other governments	13,497	316,154	329,651
Prepaid items	148,227	117,688	265,915
Total current assets	<u>20,351,521</u>	<u>503,665</u>	<u>20,855,186</u>
Noncurrent assets:			
Restricted assets -			
Cash and interest-bearing deposits	1,807,944	1,814,659	3,622,603
Capital assets -			
Land and construction in progress	5,180,014	8,638,646	13,818,660
Capital assets, net	22,180,537	57,464,210	79,644,747
Total noncurrent assets	<u>29,168,495</u>	<u>67,917,515</u>	<u>97,086,010</u>
Total assets	<u>49,520,016</u>	<u>68,421,180</u>	<u>117,941,196</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred loss on bond refunding	<u>502,300</u>	<u>-</u>	<u>502,300</u>
LIABILITIES			
Current liabilities:			
Accounts, salaries and other payables	704,723	340,519	1,045,242
Due to other governments	1,195,253	-	1,195,253
Bonds payable	755,000	645,000	1,400,000
Accrued interest payable	102,629	173,061	275,690
Customers' deposits payable	-	364,875	364,875
Total current liabilities	<u>2,757,605</u>	<u>1,523,455</u>	<u>4,281,060</u>
Noncurrent liabilities:			
Compensated absences payable	383,634	110,414	494,048
Loan payable	-	1,063,412	1,063,412
Bonds payable	18,520,535	25,310,000	43,830,535
Total noncurrent liabilities	<u>18,904,169</u>	<u>26,483,826</u>	<u>45,387,995</u>
Total liabilities	<u>21,661,774</u>	<u>28,007,281</u>	<u>49,669,055</u>
NET POSITION			
Net investment in capital assets	15,862,316	40,041,783	55,904,099
Restricted for sales tax dedications	7,331,913	-	7,331,913
Restricted for debt service	1,705,315	631,723	2,337,038
Unrestricted (deficit)	3,460,998	(259,607)	3,201,391
Total net position	<u>\$28,360,542</u>	<u>\$40,413,899</u>	<u>\$68,774,441</u>

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

CITY OF BROUSSARD, LOUISIANA

Statement of Activities
For the Year Ended June 30, 2019

Activities	Expenses	Program Revenues			Net (Expense) Revenues and Changes in Net Position		
		Fees, Fines, and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental activities:							
General government	\$ 2,798,465	\$ 1,718,474	\$ -	\$ -	\$ (1,079,991)	\$ -	\$ (1,079,991)
Public safety	4,129,284	200,167	235,984	-	(3,693,133)	-	(3,693,133)
Parks and recreation	3,985	-	-	-	(3,985)	-	(3,985)
Streets and drainage	3,600,772	-	3,570	679,886	(2,917,316)	-	(2,917,316)
Interest on long-term debt	620,941	-	-	-	(620,941)	-	(620,941)
Total governmental activities	<u>11,153,447</u>	<u>1,918,641</u>	<u>239,554</u>	<u>679,886</u>	<u>(8,315,366)</u>	<u>-</u>	<u>(8,315,366)</u>
Business-type activities:							
Water	2,410,261	1,775,513	-	-	-	(634,748)	(634,748)
Sewer	2,079,477	796,920	-	294,979	-	(987,578)	(987,578)
Sanitation	1,114,429	1,144,630	-	-	-	30,201	30,201
Sports Complex	3,478,034	635,029	-	-	-	(2,843,005)	(2,843,005)
Total business-type activities	<u>9,082,201</u>	<u>4,352,092</u>	<u>-</u>	<u>294,979</u>	<u>-</u>	<u>(4,435,130)</u>	<u>(4,435,130)</u>
Total	<u>\$ 20,235,648</u>	<u>\$ 6,270,733</u>	<u>\$ 239,554</u>	<u>\$ 974,865</u>	<u>(8,315,366)</u>	<u>(4,435,130)</u>	<u>(12,750,496)</u>
General revenues:							
Taxes -							
Sales and use taxes, levied for general purposes					14,482,679	-	14,482,679
Franchise taxes					1,218,193	-	1,218,193
Grants and contributions not restricted to specific programs -							
State sources					113,686	-	113,686
Interest and investment earnings					80,359	17,330	97,689
Miscellaneous					101,855	-	101,855
Transfers					<u>(4,745,367)</u>	<u>4,745,367</u>	<u>-</u>
Total general revenues and transfers					<u>11,251,405</u>	<u>4,762,697</u>	<u>16,014,102</u>
Change in net position					2,936,039	327,567	3,263,606
Net position - July 1, 2018					<u>25,424,503</u>	<u>40,086,332</u>	<u>65,510,835</u>
Net position - June 30, 2019					<u>\$ 28,360,542</u>	<u>\$ 40,413,899</u>	<u>\$ 68,774,441</u>

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

FUND FINANCIAL STATEMENTS (FFS)

MAJOR FUND DESCRIPTIONS

General Fund

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

Special Revenue Funds

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

1992 Sales Tax Fund -

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

TIF Sales Tax Fund -

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

2011 Recreational Sales Tax Fund -

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

Capital Projects Fund

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

Park Capital Projects Fund

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

LCDBG/Streets Capital Projects Fund

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

Enterprise Funds

Utility Fund -

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

Sports Complex Fund -

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

CITY OF BROUSSARD, LOUISIANA

Balance Sheet
Governmental Funds
June 30, 2019

	General	1992 Sales Tax	TIF Sales Tax	2011 Recreational Sales Tax	Park Capital Projects	LCDBG/Streets Capital Projects	Other Governmental Funds	Total
ASSETS								
Cash and interest-bearing deposits	\$ 9,341,697	\$ 2,183,936	\$3,273,810	\$ 1,266,100	\$ -	\$ 279,612	\$1,807,944	\$18,153,099
Receivables -								
Taxes and licenses	1,137,643	1,036,274	193,567	507,613	-	-	-	2,875,097
Due from other governments	13,497	-	-	-	-	-	-	13,497
Due from other funds	502,052	2,172,077	17,277	-	-	1,028,565	-	3,719,971
Other	1,785	-	-	-	-	-	-	1,785
Prepaid items	148,227	-	-	-	-	-	-	148,227
Total assets	<u>\$11,144,901</u>	<u>\$ 5,392,287</u>	<u>\$3,484,654</u>	<u>\$ 1,773,713</u>	<u>\$ -</u>	<u>\$ 1,308,177</u>	<u>\$1,807,944</u>	<u>\$24,911,676</u>
LIABILITIES AND FUND BALANCES								
Liabilities -								
Accounts payable and accrued expenditures	\$ 292,317	\$ 8,656	\$ 2,231	\$ 4,260	\$ -	\$ 245	\$ -	\$ 307,709
Contracts payable	186,026	-	127,196	-	-	7,090	-	320,312
Retainage payable	33,056	-	42,277	-	-	1,369	-	76,702
Due to other governments	478,101	478,101	-	239,051	-	-	-	1,195,253
Due to other funds	57,444	1,000,000	194,892	1,222,077	-	277,798	-	2,752,211
Total liabilities	<u>1,046,944</u>	<u>1,486,757</u>	<u>366,596</u>	<u>1,465,388</u>	<u>-</u>	<u>286,502</u>	<u>-</u>	<u>4,652,187</u>
Fund balances -								
Nonspendable for prepaid items	148,227	-	-	-	-	-	-	148,227
Restricted for sales tax dedications	-	3,905,530	3,118,058	308,325	-	-	-	7,331,913
Restricted for debt service	-	-	-	-	-	-	1,807,944	1,807,944
Assigned for capital expenditures	-	-	-	-	-	1,021,675	-	1,021,675
Unassigned	9,949,730	-	-	-	-	-	-	9,949,730
Total fund balances	<u>10,097,957</u>	<u>3,905,530</u>	<u>3,118,058</u>	<u>308,325</u>	<u>-</u>	<u>1,021,675</u>	<u>1,807,944</u>	<u>20,259,489</u>
Total liabilities and fund balances	<u>\$11,144,901</u>	<u>\$ 5,392,287</u>	<u>\$3,484,654</u>	<u>\$ 1,773,713</u>	<u>\$ -</u>	<u>\$ 1,308,177</u>	<u>\$1,807,944</u>	<u>\$24,911,676</u>

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

CITY OF BROUSSARD, LOUISIANA

Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
June 30, 2019

Total fund balances for governmental funds at June 30, 2019		\$20,259,489
Total net position reported for governmental activities in the statement of net position is different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of:		
Land	\$ 458,171	
Construction in progress	4,721,843	
Buildings and improvements, net of \$1,546,370 accumulated depreciation	1,782,548	
Equipment and vehicles, net of \$2,778,232 accumulated depreciation	869,751	
Infrastructure, net of \$4,999,444 accumulated depreciation	<u>19,528,238</u>	27,360,551
The deferred loss on bond refunding is not an available resource, and therefore, is not reported in the funds		502,300
Long-term liabilities at June 30, 2019:		
Bonds payable	(19,275,535)	
Compensated absences payable	(383,634)	
Accrued interest payable	<u>(102,629)</u>	<u>(19,761,798)</u>
Total net position of governmental activities at June 30, 2019		<u>\$28,360,542</u>

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

CITY OF BROUSSARD, LOUISIANA

Statement of Revenues, Expenditures and Changes in Fund Balances -
Governmental Funds
For the Year Ended June 30, 2019

	General	1992 Sales Tax	TIF Sales Tax	2011 Recreational Sales Tax	Park Capital Projects	LCDBG/Streets Capital Projects	Other Governmental Funds	Total
Revenues:								
Taxes	\$ 6,732,684	\$5,514,491	\$ 719,846	\$2,733,851	\$ -	\$ -	\$ -	\$15,700,872
Licenses and permits	1,718,474	-	-	-	-	-	-	1,718,474
Intergovernmental	388,240	-	100,000	-	-	544,886	-	1,033,126
Fine and forfeits	200,167	-	-	-	-	-	-	200,167
Interest	22,694	34,345	3,222	4,705	17	-	15,376	80,359
Miscellaneous	101,855	-	-	-	-	-	-	101,855
Total revenues	<u>9,164,114</u>	<u>5,548,836</u>	<u>823,068</u>	<u>2,738,556</u>	<u>17</u>	<u>544,886</u>	<u>15,376</u>	<u>18,834,853</u>
Expenditures:								
Current -								
General government	2,502,982	69,146	13,515	37,971	79	5,861	-	2,629,554
Public safety	3,896,489	-	-	-	-	-	-	3,896,489
Streets and drainage	2,997,694	-	-	-	-	-	-	2,997,694
Debt service	-	-	-	-	-	-	1,801,374	1,801,374
Capital outlay	1,494,947	-	50,280	-	-	950,006	-	2,495,233
Total expenditures	<u>10,892,112</u>	<u>69,146</u>	<u>63,795</u>	<u>37,971</u>	<u>79</u>	<u>955,867</u>	<u>1,801,374</u>	<u>13,820,344</u>
Excess (deficiency) of revenues over expenditures	<u>(1,727,998)</u>	<u>5,479,690</u>	<u>759,273</u>	<u>2,700,585</u>	<u>(62)</u>	<u>(410,981)</u>	<u>(1,785,998)</u>	<u>5,014,509</u>
Other financing sources (uses):								
Proceeds from issuance of debt	-	-	-	-	-	-	144,736	144,736
Transfers in	4,577,422	-	-	-	807,408	1,233,189	1,935,753	8,553,772
Transfers out	(33,104)	(7,069,395)	(744,553)	(3,588,465)	(811,399)	-	(1,052,223)	(13,299,139)
Total other financing sources (uses)	<u>4,544,318</u>	<u>(7,069,395)</u>	<u>(744,553)</u>	<u>(3,588,465)</u>	<u>(3,991)</u>	<u>1,233,189</u>	<u>1,028,266</u>	<u>(4,600,631)</u>
Net change in fund balances	2,816,320	(1,589,705)	14,720	(887,880)	(4,053)	822,208	(757,732)	413,878
Fund balances - beginning	<u>7,281,637</u>	<u>5,495,235</u>	<u>3,103,338</u>	<u>1,196,205</u>	<u>4,053</u>	<u>199,467</u>	<u>2,565,676</u>	<u>19,845,611</u>
Fund balances - ending	<u>\$10,097,957</u>	<u>\$3,905,530</u>	<u>\$3,118,058</u>	<u>\$ 308,325</u>	<u>\$ -</u>	<u>\$1,021,675</u>	<u>\$1,807,944</u>	<u>\$20,259,489</u>

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

CITY OF BROUSSARD, LOUISIANA

Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended June 30, 2019

Total net changes in fund balances at June 30, 2019 in the
statement of revenues, expenditures and changes in fund balances \$ 413,878

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

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

Capital outlay which is considered expenditures in the statement of revenues, expenditures and changes in fund balances	\$ 2,425,725	
Loss on disposal of capital assets	(1,937)	
Depreciation expense for the year ended June 30, 2019	<u>(915,555)</u>	1,508,233

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

Proceeds from issuance of bonds	(144,736)	
Principal payments	1,120,873	
Amortization of bond premium	83,507	
Loss on refunding amortized	<u>(29,547)</u>	1,030,097

Difference between interest on long-term debt on modified accrual
basis versus interest on long-term debt on accrual basis 5,600

Some expenses reported in the statement of activities do not require the
use of current financial resources and, therefore, are not reported as
expenditures in governmental funds.

Compensated absences	<u>(21,769)</u>
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Total changes in net position at June 30, 2019 in the statement of activities \$ 2,936,039

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

CITY OF BROUSSARD, LOUISIANA

Combined Statement of Net Position

Proprietary Funds

June 30, 2019

	Utility Fund	Sports Complex Fund	Total
ASSETS			
Current assets:			
Cash and interest-bearing deposits	\$ 248,291	\$ 315,896	\$ 564,187
Accounts receivable, net	427,458	45,938	473,396
Due from other funds	57,444	-	57,444
Due from other governments	316,154	-	316,154
Prepaid insurance	64,325	53,363	117,688
Total current assets	<u>1,113,672</u>	<u>415,197</u>	<u>1,528,869</u>
Noncurrent assets:			
Restricted assets -			
Cash and interest-bearing deposits	364,875	1,449,784	1,814,659
Capital assets -			
Land and construction in progress	5,359,197	3,279,449	8,638,646
Capital assets, net	<u>24,794,160</u>	<u>32,670,050</u>	<u>57,464,210</u>
Total noncurrent assets	<u>30,518,232</u>	<u>37,399,283</u>	<u>67,917,515</u>
Total assets	<u>31,631,904</u>	<u>37,814,480</u>	<u>69,446,384</u>
LIABILITIES			
Current liabilities:			
Accounts payable	239,288	23,639	262,927
Retainage payable	58,536	-	58,536
Accrued expenses	9,549	9,507	19,056
Due to other funds	967,712	57,492	1,025,204
Payable from restricted assets:			
Bonds payable	-	645,000	645,000
Accrued interest	-	173,061	173,061
Customers' deposits (payable from restricted assets)	<u>364,875</u>	<u>-</u>	<u>364,875</u>
Total current liabilities	<u>1,639,960</u>	<u>908,699</u>	<u>2,548,659</u>
Noncurrent liabilities:			
Compensated absences payable	89,704	20,710	110,414
Loan payable	1,063,412	-	1,063,412
Bonds payable	<u>-</u>	<u>25,310,000</u>	<u>25,310,000</u>
Total noncurrent liabilities	<u>1,153,116</u>	<u>25,330,710</u>	<u>26,483,826</u>
Total liabilities	<u>2,793,076</u>	<u>26,239,409</u>	<u>29,032,485</u>
NET POSITION			
Net investment in capital assets	29,402,284	10,639,499	40,041,783
Restricted for debt service	-	631,723	631,723
Unrestricted (deficit)	<u>(563,456)</u>	<u>303,849</u>	<u>(259,607)</u>
Total net position	<u>\$28,838,828</u>	<u>\$11,575,071</u>	<u>\$40,413,899</u>

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

CITY OF BROUSSARD, LOUISIANA

Combined Statement of Revenues, Expenses and Changes in Fund Net Position
 Proprietary Funds
 For the Year Ended June 30, 2019

	Utility Fund	Sports Complex Fund	Total
Operating revenues:			
Charges for services	\$ 3,254,525	\$ 635,029	\$ 3,889,554
Miscellaneous	<u>462,538</u>	<u>-</u>	<u>462,538</u>
Total operating revenues	<u>3,717,063</u>	<u>635,029</u>	<u>4,352,092</u>
Operating expenses:			
Water	2,384,039	-	2,384,039
Sewer	2,067,240	-	2,067,240
Garbage	1,094,617	-	1,094,617
Sports Complex	<u>-</u>	<u>2,411,525</u>	<u>2,411,525</u>
Total operating expenses	<u>5,545,896</u>	<u>2,411,525</u>	<u>7,957,421</u>
Loss from operations	<u>(1,828,833)</u>	<u>(1,776,496)</u>	<u>(3,605,329)</u>
Nonoperating revenues (expenses):			
Interest earned	905	16,425	17,330
Interest expense	(2,187)	-	(2,187)
Interest and fiscal agency fees	-	(1,065,481)	(1,065,481)
Debt issuance expense	(56,084)	-	(56,084)
Loss on disposal of capital asset	<u>-</u>	<u>(1,028)</u>	<u>(1,028)</u>
Total nonoperating revenues (expenses)	<u>(57,366)</u>	<u>(1,050,084)</u>	<u>(1,107,450)</u>
Loss before capital contributions and transfers	<u>(1,886,199)</u>	<u>(2,826,580)</u>	<u>(4,712,779)</u>
Capital contributions	<u>294,979</u>	<u>-</u>	<u>294,979</u>
Transfers:			
Transfer from General Fund	-	33,104	33,104
Transfer from 1992 Sales Tax Fund	1,050,000	-	1,050,000
Transfer from TIF Sales Tax Fund	744,552	-	744,552
Transfer from Recreational Sales Tax Fund	-	2,787,857	2,787,857
Transfers from (to) debt service funds	<u>144,736</u>	<u>(14,882)</u>	<u>129,854</u>
Total transfers	<u>1,939,288</u>	<u>2,806,079</u>	<u>4,745,367</u>
Change in net position	348,068	(20,501)	327,567
Net position, beginning	<u>28,490,760</u>	<u>11,595,572</u>	<u>40,086,332</u>
Net position, ending	<u>\$28,838,828</u>	<u>\$11,575,071</u>	<u>\$40,413,899</u>

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

CITY OF BROUSSARD, LOUISIANA

Combined Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2019

	Utility Fund	Sports Complex Fund	Total
Cash flows from operating activities:			
Receipts from customers	\$ 3,297,508	\$ 635,029	\$ 3,932,537
Payments to suppliers	(3,228,892)	(873,842)	(4,102,734)
Payments of employees	(891,863)	(670,138)	(1,562,001)
Other income	462,538	-	462,538
Net cash used by operating activities	<u>(360,709)</u>	<u>(908,951)</u>	<u>(1,269,660)</u>
Cash flows from noncapital financing activities:			
Cash received from (paid to) other funds	(6,699)	63,993	57,294
Transfers in from other funds	1,939,288	2,806,079	4,745,367
Net cash provided by noncapital financing activities	<u>1,932,589</u>	<u>2,870,072</u>	<u>4,802,661</u>
Cash flows from capital and related financing activities:			
Principal paid on bonds	-	(625,000)	(625,000)
Interest and fiscal agency fees paid on bonds	(58,271)	(1,065,143)	(1,123,414)
Net increase in customer deposits payable	27,348	-	27,348
Issuance of loan payable	751,073	-	751,073
Capital contributions	291,164	-	291,164
Acquisition of capital assets	(2,460,649)	(42,827)	(2,503,476)
Net cash used by capital and related financing activities	<u>(1,449,335)</u>	<u>(1,732,970)</u>	<u>(3,182,305)</u>
Cash flows from investing activities:			
Interest on cash and investments	905	16,425	17,330
Net increase in cash	123,450	244,576	368,026
Cash, beginning of period	489,716	1,521,104	2,010,820
Cash, end of period	<u>\$ 613,166</u>	<u>\$ 1,765,680</u>	<u>\$ 2,378,846</u>
Reconciliation of operating loss to net cash used by operating activities			
Operating loss	\$ (1,828,833)	(1,776,496)	\$(3,605,329)
Adjustments to reconcile operating loss to net cash used by operating activities -			
Depreciation	1,304,504	938,969	2,243,473
Changes in assets and liabilities -			
Accounts receivable	42,983	(45,938)	(2,955)
Prepaid insurance	16,302	(34,249)	(17,947)
Accounts payable	109,659	(1,648)	108,011
Accrued expenses	(4,107)	9,507	5,400
Compensated absences payable	(1,217)	904	(313)
Net cash used by operating activities	<u>\$ (360,709)</u>	<u>\$ (908,951)</u>	<u>\$(1,269,660)</u>

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

CITY OF BROUSSARD, LOUISIANA

Notes to Basic Financial Statements

(1) Summary of Significant Accounting Policies

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

A. Financial Reporting Entity

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

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

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

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

CITY OF BROUSSARD, LOUISIANA

Notes to Basic Financial Statements (Continued)

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

Broussard Fire Department

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

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

Broussard Economic Development Corporation

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

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

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

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

B. Basis of Presentation

Government-Wide Financial Statements (GWFS)

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

CITY OF BROUSSARD, LOUISIANA

Notes to Basic Financial Statements (Continued)

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

Fund Financial Statements

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

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

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

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

The major funds of the City are described below:

Governmental Funds-

General Fund

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

CITY OF BROUSSARD, LOUISIANA

Notes to Basic Financial Statements (Continued)

Special Revenue Funds

1992 Sales Tax Fund -

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

TIF Sales Tax Fund -

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

2011 Recreational Sales Tax Fund -

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

Capital Projects Funds

Park Capital Projects Fund -

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

LCDBG/Streets Capital Projects Fund -

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

CITY OF BROUSSARD, LOUISIANA

Notes to Basic Financial Statements (Continued)

Proprietary Funds -

Enterprise Funds

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

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

Debt Service Funds --

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

C. Measurement Focus/Basis of Accounting

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

Measurement Focus

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

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

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

CITY OF BROUSSARD, LOUISIANA

Notes to Basic Financial Statements (Continued)

Basis of Accounting

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

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

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

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

Cash and interest-bearing deposits

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

Interfund receivables and payables

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

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

CITY OF BROUSSARD, LOUISIANA

Notes to Basic Financial Statements (Continued)

Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Major receivable balances for the governmental activities include sales and use taxes, franchise taxes, and grant funds. Business-type activities report customer's utility service receivables as their major receivables. Allowances for uncollectible accounts receivable are based on historical trends and the periodic aging of accounts receivable. The allowance for uncollectible utility receivables was \$103,656 at June 30, 2019. Unbilled utility service receivables resulting from utility services rendered between the date of meter reading and billing and the end of the month, are recorded at year-end.

Capital Assets

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

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

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

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

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

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

CITY OF BROUSSARD, LOUISIANA

Notes to Basic Financial Statements (Continued)

Restricted Assets

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

Long-term debt

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

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

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

Compensated Absences

Unused vacation is paid at the end of each calendar year. Unused sick leave up to 60 days may be carried over, with up to 30 days of the accumulated balance payable at termination of employment. At June 30, 2019, the City has \$503,046 of noncurrent accumulated leave benefits required to be reported in accordance with GASB Statement No. 16 "Accounting for Compensated Absences".

Deferred Outflows of Resources and Deferred Inflows of Resources

In some instances, the GASB requires a government to delay recognition of decreases in net position as expenditures until a future period. In other instances governments are required to delay recognition of increases in net position as revenues until a future period. In these circumstances, deferred outflows of resources and deferred inflows of resources result from the delayed recognition of expenditures or revenues, respectively. Deferred outflows at June 30, 2019 resulted from the loss on the bond refunding. There were no deferred inflows of resources as of June 30, 2019.

CITY OF BROUSSARD, LOUISIANA

Notes to Basic Financial Statements (Continued)

Equity Classifications

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

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

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

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

CITY OF BROUSSARD, LOUISIANA

Notes to Basic Financial Statements (Continued)

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

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

E. Revenues, Expenditures, and Expenses

Operating Revenues and Expenses

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

Expenditures/Expenses

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

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

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

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

Interfund Transfers

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

F. Revenue Restrictions

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

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

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

CITY OF BROUSSARD, LOUISIANA

Notes to Basic Financial Statements (Continued)

G. Capitalization of Interest Expense

It is the policy of the City of Broussard to capitalize material amounts of interest resulting from borrowings in the course of the construction of capital assets in the proprietary funds. At June 30, 2019, there were no borrowings for assets under construction and no capitalized interest expense was recorded on the books.

H. Use of Estimates

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

(2) Cash and Interest-Bearing Deposits

Under state law, the City may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The City may invest in certificates and time deposits of the state banks organized under Louisiana law and national banks having principal offices in Louisiana. At June 30, 2019, the City had cash and interest-bearing deposits (book balances) totaling \$20,531,945 as follows:

Non interest-bearing deposits	\$ 764,074
Interest-bearing deposits	17,933,162
Time deposits	<u>1,834,709</u>
Total	<u>\$ 20,531,945</u>

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

Deposit balances (bank balances) at June 30, 2019, which are required to be secured are as follows:

Bank balances	<u>\$ 21,037,108</u>
Federal deposit insurance	1,000,000
Pledged securities	<u>20,037,108</u>
Total insured and secured bank balances	<u>\$ 21,037,108</u>

CITY OF BROUSSARD, LOUISIANA

Notes to Basic Financial Statements (Continued)

Deposits in the amount of \$20,037,108 were exposed to custodial credit risk. These deposits are uninsured and collateralized with securities held by the pledging institution's trust department or agent, but not in the City's name. Even though the pledged securities are considered uncollateralized, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the City that the fiscal agent has failed to pay deposited funds upon demand. The City does not have a policy for custodial credit risk.

(3) Receivables

Receivables at June 30, 2019 consisted of the following:

	Governmental Activities		Business-Type Activities		Total
	General Fund	Sales Tax Fund	Utility Fund	Sports Complex	
Accounts	\$ -	\$ -	\$ 324,049	\$ 45,938	\$ 369,987
Unbilled utility	-	-	103,409	-	103,409
1975 1% sales taxes	1,036,274	-	-	-	1,036,274
1992 1% sales taxes	-	1,036,274	-	-	1,036,274
TIF sales taxes	-	193,567	-	-	193,567
2011 1/2% sales taxes	-	507,613	-	-	507,613
Franchise taxes	101,369	-	-	-	101,369
Other	1,785	-	-	-	1,785
Totals	\$ 1,139,428	\$ 1,737,454	\$ 427,458	\$ 45,938	\$ 3,350,278

(4) Due from Other Governmental Units

Due from other governmental units at June 30, 2019 consisted of the following:

Governmental Activities -

General Fund:

Due from State of Louisiana for beer tax revenue earned through June 30, 2019	\$ 4,315
Due from State of Louisiana for video poker revenue earned through June 30, 2019	9,182
Total governmental activities	13,497

Business-Type Activities -

Utility Fund:

Due from the State of Louisiana Department of Health and Hospitals to finance the cost of the drinking water infrastructure improvements project through June 30, 2019	312,339
Due from LCDBG for reimbursement of expenditures incurred for a sewer project through June 30, 2019	3,815
Total business-type activities	316,154

Total due from other governmental units \$ 329,651

CITY OF BROUSSARD, LOUISIANA

Notes to Basic Financial Statements (Continued)

(5) Restricted Assets

Restricted assets consisted of the following at June 30, 2019:

	Governmental Activities	Business-Type Activities	Total
2008 and 2015 revenue bond and interest sinking fund	\$ 192,171	\$ -	\$ 192,171
2011 DEQ bond and interest sinking fund	35,587	-	35,587
2012 revenue bond and interest sinking	-	384,126	384,126
2016 revenue bond and interest sinking	690,762	-	690,762
2015 revenue bond reserve fund	206,255	-	206,255
2011 DEQ bond reserve fund	264,037	-	264,037
2012 revenue bond reserve fund	-	1,065,658	1,065,658
2016 revenue bond reserve fund	419,132	-	419,132
Customers' deposits	-	364,875	364,875
Total restricted assets	<u>\$ 1,807,944</u>	<u>\$ 1,814,659</u>	<u>\$ 3,622,603</u>

(6) Capital Assets

Capital asset activity for the year ended June 30, 2019 follows:

	Balance 07/01/18	Additions	Deletions	Balance 06/30/19
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 458,171	\$ -	\$ -	\$ 458,171
Construction in progress	11,042,281	2,001,678	8,322,116	4,721,843
Other capital assets:				
Buildings and improvements	3,151,684	177,234	-	3,328,918
Equipment and vehicles	3,754,372	197,471	303,860	3,647,983
Infrastructure	16,156,224	8,371,458	-	24,527,682
Totals	<u>34,562,732</u>	<u>10,747,841</u>	<u>8,625,976</u>	<u>36,684,597</u>
Less accumulated depreciation				
Buildings and improvements	1,430,100	116,270	-	1,546,370
Equipment and vehicles	2,828,734	251,421	301,923	2,778,232
Infrastructure	4,451,580	547,864	-	4,999,444
Total accumulated depreciation	<u>8,710,414</u>	<u>915,555</u>	<u>301,923</u>	<u>9,324,046</u>
Governmental activities, capital assets, net	<u>\$ 25,852,318</u>	<u>\$ 9,832,286</u>	<u>\$ 8,324,053</u>	<u>\$ 27,360,551</u>

CITY OF BROUSSARD, LOUISIANA

Notes to Basic Financial Statements (Continued)

(6) Capital Assets

	Balance 07/01/18	Additions	Deletions	Balance 06/30/19
Business-type activities:				
Capital assets not being depreciated:				
Land - sewer system	\$ 1,044,516	\$ -	\$ -	\$ 1,044,516
Land - sports complex	3,279,449	-	-	3,279,449
Construction in progress:				
Utility Fund	2,976,990	2,219,128	881,437	4,314,681
Other capital assets:				
Plant and equipment - water system	12,363,239	410,783	-	12,774,022
Plant and equipment - sewer system	26,344,667	699,358	-	27,044,025
Buildings - Sports Complex	33,558,700	16,528	-	33,575,228
Autos and office equipment - utility	1,174,776	-	34,010	1,140,766
Equipment - Sports Complex	738,330	26,299	1,504	763,125
Vehicle - Sports Complex	50,090	-	-	50,090
Totals	<u>81,530,757</u>	<u>3,372,096</u>	<u>916,951</u>	<u>83,985,902</u>
Less accumulated depreciation				
Plant and equipment - water system	7,194,543	372,933	-	7,567,476
Plant and equipment - sewer system	6,887,090	850,448	-	7,737,538
Autos and office equipment - utility	812,526	81,123	34,010	859,639
Buildings - Sports Complex	699,140	839,428	-	1,538,568
Equipment - Sports Complex	74,981	92,606	476	167,111
Vehicle - Sports Complex	5,779	6,935	-	12,714
Total accumulated depreciation	<u>15,674,059</u>	<u>2,243,473</u>	<u>34,486</u>	<u>17,883,046</u>
Business-type activities, capital assets, net	<u>\$ 65,856,698</u>	<u>\$ 1,128,623</u>	<u>\$ 882,465</u>	<u>\$ 66,102,856</u>

Depreciation expense was charged to governmental activities as follows:

General government	\$ 115,922
Public safety	176,363
Streets	623,270
Total depreciation expense - governmental activities	<u>\$ 915,555</u>

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

Water system	\$ 401,453
Sewer system	903,051
Sports Complex	938,969
Total depreciation expense - business-type activities	<u>\$ 2,243,473</u>

CITY OF BROUSSARD, LOUISIANA

Notes to Basic Financial Statements (Continued)

Construction in progress in the governmental activities in the amount of \$4,721,843 consists of various street improvement and extension projects. Construction in progress in the business-type activities in the amount of \$3,279,449 consists of costs incurred through June 30, 2019 for various water and sewer improvement projects.

(7) Accounts, Salaries and Other Payables

Accounts, salaries, and other payables consisted of the following at June 30, 2019:

	Governmental Activities	Business-Type Activities	Total
Accounts	\$ 206,617	\$ 262,927	\$ 469,544
Accrued payroll	78,819	19,056	97,875
Collection fees payable	22,273	-	22,273
Contracts	320,312	-	320,312
Retainage	76,702	58,536	135,238
Totals	<u>\$ 704,723</u>	<u>\$ 340,519</u>	<u>\$ 1,045,242</u>

(8) Due to Other Governments

Amounts due to other governments at June 30, 2019 in the amount of \$1,195,253 consists of \$478,101 for 1975 sales taxes (accounted for in the General Fund), \$478,101 for 1992 sales taxes, and \$239,051 for 2011 recreational sales taxes due to the Lafayette Parish School System Sales Tax Office for sales taxes erroneously remitted to the City.

(9) Long-Term Liabilities

The following is a summary of long-term liabilities transactions of the City for the year ended June 30, 2019:

	Governmental Activities		Business-type Activities		
	Revenue Bonds	Compensated Absences	Revenue Bonds	Loan Payable	Compensated Absences
Balance, July 1, 2018	\$ 18,642,016	\$ 361,865	\$ 26,580,000	\$ -	\$ 110,727
Additions	144,736	110,137	-	1,063,412	30,387
Deletions	<u>(1,120,873)</u>	<u>(88,368)</u>	<u>(625,000)</u>	-	<u>(30,700)</u>
Balance, June 30, 2019	<u>\$ 17,665,879</u>	<u>\$ 383,634</u>	<u>\$ 25,955,000</u>	<u>\$ 1,063,412</u>	<u>\$ 110,414</u>

CITY OF BROUSSARD, LOUISIANA

Notes to Basic Financial Statements (Continued)

(9) Long-Term Liabilities

Revenue bonds payable at June 30, 2019 is comprised of the following:

	<u>Total</u>	<u>Current Portion</u>
Governmental activities:		
\$4,000,000 2011 Sales Tax Bonds due in annual installments ranging from \$95,000 to \$110,000 through May 1, 2032; interest at .95%; secured by a pledge of and payable solely from the proceeds of the 1% 1992 sales tax revenues.	2,340,879	100,000
\$9,225,000 Sales Tax Refunding Bonds, Series 2015, due in annual installments ranging from \$135,000 through \$540,000 through May 1, 2038; interest at 2.0%-5.0%; secured by a pledge of and payable solely from the proceeds of the 1% 1992 sales tax revenues.	8,050,000	355,000
\$7,855,000 Sales Tax Refunding Bonds, Series 2016, due in annual installments ranging from \$290,000 to \$545,000 through May 1, 2037; interest at 2%-4%; secured by a pledge of and payable solely from the proceeds of the 1% 1992 sales tax revenues.	<u>7,275,000</u>	<u>300,000</u>
	17,665,879	<u>\$ 755,000</u>
Add: unamortized bond premium	<u>1,609,656</u>	
Net bonds payable - governmental activities	<u>\$ 19,275,535</u>	
Business-type activities:		
Sports Complex Fund -		
\$17,205,000 Recreational Facility Sales Tax Revenue Bonds, Series 2012, due in annual installments ranging from \$210,000 through \$950,000 through May 1, 2042; interest at 1%-5%; secured by a pledge of and payable solely from the proceeds of the 1/2% 2011 sales tax revenues.	\$ 14,755,000	\$ 410,000
\$12,000,000 Recreational Facility Sales Tax Revenue Bonds, Series 2015, due in annual installments ranging from \$140,000 through \$830,000 through May 1, 2045; interest at 2%-5%; secured by a pledge of and payable solely from the proceeds of the 1/2% 2011 sales tax revenues.	11,200,000	235,000
Utility Fund -		
Loan from the Louisiana Department of Health and Hospitals; interest at 2.45%; payable from the utilities system revenues. The balance through June 30, 2019 is net of a 20% debt forgiveness.	<u>1,063,412</u>	-
Total bonds and loan payable - business-type activities	<u>\$ 27,018,412</u>	<u>\$ 645,000</u>

CITY OF BROUSSARD, LOUISIANA

Notes to Basic Financial Statements (Continued)

The City borrowed \$1,329,265 (of which \$265,853 was forgiven) from the Louisiana Department of Health and Hospitals as an interim loan to finance the cost of the drinking water infrastructure improvements project. Upon completion of the project, the City will issue taxable utilities revenue bonds for permanent financing. The forgiveness of debt is recorded as a capital contribution in the Utility Fund statement of revenues, expenses, and changes in fund net position.

The annual debt service requirements to maturity for all bonds payable as of June 30, 2019 are as follows:

Year Ended June 30,	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2020	\$ 755,000	\$ 629,456	\$ 645,000	\$ 1,038,370
2021	780,000	602,256	675,000	1,012,570
2022	800,000	577,106	695,000	990,470
2023	835,000	547,956	725,000	960,170
2024	855,000	521,356	750,000	933,220
2025-2029	4,780,000	2,144,206	4,180,000	4,237,278
2030-2034	5,565,879	1,210,880	5,165,000	3,256,896
2035-2039	3,295,000	306,568	6,315,000	2,098,676
2040-2044	-	-	5,975,000	798,248
2045-2046	-	-	830,000	33,200
	<u>\$ 17,665,879</u>	<u>\$ 6,539,784</u>	<u>\$ 25,955,000</u>	<u>\$ 15,359,098</u>

(10) Prior Year Defeasance of Debt

During the prior year, the City defeased \$7,975,000 of Public Improvement Sales Tax Revenue Bonds, Series 2007 by purchasing U.S. Government securities and creating separate irrevocable trust funds with an escrow agent. The investments and fixed earnings from the investments are sufficient to fully service the defeased debt until the debt is called or matures. For financial reporting purposes, the debt has been considered defeased and therefore, has been removed as a liability from the City's financial statements. As of June 30, 2019, the amount of defeased sales tax revenue debt outstanding but removed from the financial statements amounts to \$7,455,000 of Series 2007 sales tax bonds.

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

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

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

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

CITY OF BROUSSARD, LOUISIANA

Notes to Basic Financial Statements (Continued)

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

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

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

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

The City complied with all significant financial requirements of the bond ordinance as of June 30, 2019.

All of the above sales taxes were issued in perpetuity.

(12) Retirement and Deferred Compensation

- A. Employees of the City are members of the Social Security System. The City and its employees contribute a percentage of each employee's salary to the System (7.65 percent by the City; 7.65 percent by the employee). The City's contributions during the years ended 2019, 2018, and 2017, amounted to \$387,507, \$364,567 and \$292,322 respectively.
- B. The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code (IRC) Section 457. The single employer plan, the Town of Broussard Deferred Compensation Plan, is administered by the Hartford, is available to all City employees, and permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. The City contributes 8% to 12% of wages to each participating employee account based on years of service. For the year ended June 30, 2019, the City and employees contributed \$340,332 and \$120,778 respectively. The City's contributions are not mandatory.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are (until paid or made available to the employee or other beneficiary) held in a trust, custodial account or annuity contract described in IRC 457(g) for the exclusive benefit of the participants and their beneficiaries. The fair market value of the deferred compensation plan assets at June 30, 2019 was \$2,820,901.

CITY OF BROUSSARD, LOUISIANA

Notes to Basic Financial Statements (Continued)

C. In March 2019, several members of the City’s police department joined the Municipal Police Employees’ Retirement System (MPERS). For the year ended June 30, 2019, the City contributed \$42,459 to the plan. The City’s proportionate share of the pension plan liability and related deferred inflows and outflows of resources will be reported during the fiscal year ended June 30, 2020.

(13) On-Behalf Payments of Salaries

The State of Louisiana paid the City’s policemen \$167,384 of supplemental pay during the year ended June 30, 2019. That amount is included in the accompanying financial statements as intergovernmental revenues and police expense in the government-wide statement of activities.

(14) Risk Management

The City is exposed to risks of loss in the areas of general and auto liability, property hazards, and workers’ compensation. Those risks are handled by purchasing commercial insurance. There have been no significant reductions in insurance coverage during the current fiscal year. Settlements have not exceeded insurance coverage during the three-year period ended June 30, 2019.

(15) Litigation and Claims

At June 30, 2019, the City was involved in several lawsuits claiming damages. In the opinion of the City’s legal counsel, the only exposure to the City would be any costs in defense of the lawsuits with no liability in excess of insurance coverage.

(16) Compensation of Mayor and Aldermen

Compensation paid to the Mayor and Alderman for the year ended June 30, 2019 follows:

Charles Langlinais, Mayor (7/1/18 - 12/31/18)	\$ 39,192
Ray Bourque, Mayor (1/1/19 - 6/30/19)	39,192
Aldermen:	
Ray Bourque (7/1/18 - 12/31/18)	9,000
Gertrude Baltise (7/1/18 - 12/31/18)	9,000
Johnnie Foco (7/1/18 - 12/31/18)	12,000
Jesse Regan (1/1/19 - 6/30/19)	9,000
Michael Rabon (1/1/19 - 6/30/19)	9,000
Angel Racca (7/1/18 - 6/30/19)	18,000
David Bonin (7/1/18 - 6/30/19)	18,000
Ray Gary (7/1/18 - 6/30/19)	18,000
Kenny Higginbotham (7/1/18 - 6/30/19)	18,200
Jeff Delahoussaye (1/1/19 - 6/30/19)	12,000
	<u>\$ 210,584</u>

CITY OF BROUSSARD, LOUISIANA

Notes to Basic Financial Statements (Continued)

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

The schedule of compensation, benefits, and other payments made to the Mayor, for the year ended June 30, 2019 follows:

	<u>Charles Langlinais, Mayor</u> <u>7/1/2018 - 12/31/2018</u>	<u>Ray Bourque, Mayor</u> <u>1/1/2019 - 6/30/2019</u>
Salary	\$ 39,192	\$ 39,192
Benefits - insurance	3,893	6,519
Benefits - retirement	4,703	-
Car allowance	-	4,800
Cell phone	621	300
Internet	-	390
Travel and conference	-	3,329
Registration fees	-	355
Other (vehicle gas expense)	1,418	632
	<u>\$ 49,827</u>	<u>\$ 55,517</u>

(18) Interfund Transactions

A. Interfund receivables and payables consisted of the following at June 30, 2019:

	<u>Receivable</u>	<u>Payable</u>
Major funds:		
Governmental funds:		
General Fund	\$ 502,052	\$ 57,444
1992 Sales Tax Special Revenue Fund	2,172,077	1,000,000
TIF Sales Tax Special Revenue Fund	17,277	194,892
2011 Recreational Sales Tax Special Revenue Fund	-	1,222,077
LCDBG/Streets Capital Projects Fund	1,028,565	277,798
Proprietary funds:		
Utility Fund	57,444	967,712
Sports Complex Fund	-	57,492
Total	<u>\$ 3,777,415</u>	<u>\$ 3,777,415</u>

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

CITY OF BROUSSARD, LOUISIANA

Notes to Basic Financial Statements (Continued)

B. Interfund transfers consisted of the following at June 30, 2019:

	Transfers In	Transfers Out
Major funds:		
Governmental funds:		
General Fund	\$ 4,577,422	\$ 33,104
1992 Sales Tax Special Revenue Fund	-	7,069,395
TIF Sales Tax Special Revenue Fund	-	744,553
2011 Recreational Sales Tax Special Revenue Fund	-	3,588,465
Park Capital Projects Fund	807,408	811,399
LCDBG/Streets Capital Projects Fund	1,233,189	-
Proprietary funds:		
Utility Fund	1,939,288	-
Sports Complex Fund	2,820,961	14,882
Non-major funds - debt service funds	1,935,753	1,052,223
Total	\$ 13,314,021	\$ 13,314,021

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

**REQUIRED
SUPPLEMENTARY INFORMATION**

CITY OF BROUSSARD, LOUISIANA
General Fund

Budgetary Comparison Schedule
For the Year Ended June 30, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 6,992,680	\$ 6,698,820	\$ 6,732,684	\$ 33,864
Licenses and permits	1,725,000	1,585,943	1,718,474	132,531
Intergovernmental	342,320	395,198	388,240	(6,958)
Fines and forfeits and seizures	450,000	192,671	200,167	7,496
Miscellaneous	<u>130,700</u>	<u>88,620</u>	<u>124,549</u>	<u>35,929</u>
Total revenues	<u>9,640,700</u>	<u>8,961,252</u>	<u>9,164,114</u>	<u>202,862</u>
Expenditures:				
Current -				
General government	2,299,893	2,515,077	2,502,982	12,095
Public safety:				
Police	2,842,614	2,868,097	2,803,177	64,920
Fire	1,119,675	1,135,852	1,093,312	42,540
Streets and drainage	3,151,715	3,008,971	2,997,694	11,277
Capital outlay	<u>1,633,950</u>	<u>1,497,111</u>	<u>1,494,947</u>	<u>2,164</u>
Total expenditures	<u>11,047,847</u>	<u>11,025,108</u>	<u>10,892,112</u>	<u>132,996</u>
Deficiency of revenue over expenditures	<u>(1,407,147)</u>	<u>(2,063,856)</u>	<u>(1,727,998)</u>	<u>335,858</u>
Other financing sources (uses):				
Transfers from 1992 Sales Tax Fund	1,400,000	4,088,212	4,088,212	-
Transfer from Park Capital Projects Fund	-	489,210	489,210	-
Transfer to Sports Complex Fund	-	(34,373)	(33,104)	1,269
Transfer to LCDBG/Streets Fund	<u>(100,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>1,300,000</u>	<u>4,543,049</u>	<u>4,544,318</u>	<u>1,269</u>
Net change in fund balance	(107,147)	2,479,193	2,816,320	337,127
Fund balance, beginning	<u>7,281,637</u>	<u>7,281,637</u>	<u>7,281,637</u>	<u>-</u>
Fund balance, ending	<u>\$ 7,174,490</u>	<u>\$ 9,760,830</u>	<u>\$10,097,957</u>	<u>\$ 337,127</u>

CITY OF BROUSSARD, LOUISIANA
1992 Sales Tax Special Revenue Fund

Budgetary Comparison Schedule
For the Year Ended June 30, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes -				
Sales taxes - 1%	\$ 5,792,680	\$ 5,492,451	\$ 5,514,491	\$ 22,040
Miscellaneous -				
Interest	<u>4,000</u>	<u>33,474</u>	<u>34,345</u>	<u>871</u>
Total revenues	<u>5,796,680</u>	<u>5,525,925</u>	<u>5,548,836</u>	<u>22,911</u>
Expenditures:				
Current -				
General government:				
Collection fees	25,000	57,966	52,681	5,285
Professional fees	<u>25,000</u>	<u>17,970</u>	<u>16,465</u>	<u>1,505</u>
Total expenditures	<u>50,000</u>	<u>75,936</u>	<u>69,146</u>	<u>6,790</u>
Excess of revenues over expenditures	<u>5,746,680</u>	<u>5,449,989</u>	<u>5,479,690</u>	<u>29,701</u>
Other financing uses:				
Transfers to General Fund	(1,400,000)	(4,088,212)	(4,088,212)	-
Transfer to Utility Fund	(800,000)	(1,050,000)	(1,050,000)	-
Transfers to Debt service funds	(1,484,768)	(1,028,689)	(1,020,183)	8,506
Transfer to LCDBG/Streets Fund	<u>(2,100,000)</u>	<u>(911,000)</u>	<u>(911,000)</u>	<u>-</u>
Total other financing uses	<u>(5,784,768)</u>	<u>(7,077,901)</u>	<u>(7,069,395)</u>	<u>8,506</u>
Net change in fund balance	(38,088)	(1,627,912)	(1,589,705)	38,207
Fund balance, beginning	<u>5,495,235</u>	<u>5,495,235</u>	<u>5,495,235</u>	<u>-</u>
Fund balance, ending	<u>\$ 5,457,147</u>	<u>\$ 3,867,323</u>	<u>\$ 3,905,530</u>	<u>\$ 38,207</u>

CITY OF BROUSSARD, LOUISIANA
TIF Sales Tax Special Revenue Fund

Budgetary Comparison Schedule
For the Year Ended June 30, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes -				
Sales taxes	\$ 630,000	\$ 714,257	\$ 719,846	\$ 5,589
Intergovernmental				
Local - Lafayette Parish School Board	-	100,000	100,000	-
Miscellaneous -				
Interest	<u>3,000</u>	<u>3,675</u>	<u>3,222</u>	<u>(453)</u>
Total revenues	<u>633,000</u>	<u>817,932</u>	<u>823,068</u>	<u>5,136</u>
Expenditures:				
Current -				
General government:				
Collection fees	6,200	7,400	7,205	195
Professional fees	<u>10,000</u>	<u>6,515</u>	<u>6,310</u>	<u>205</u>
Total general government	16,200	13,915	13,515	400
Capital outlay	<u>50,000</u>	<u>50,280</u>	<u>50,280</u>	<u>-</u>
Total expenditures	<u>66,200</u>	<u>64,195</u>	<u>63,795</u>	<u>400</u>
Excess of revenues over expenditures	566,800	753,737	759,273	5,536
Other financing use:				
Transfer to Utility Fund	<u>(725,200)</u>	<u>(744,553)</u>	<u>(744,553)</u>	<u>-</u>
Net change in fund balance	(158,400)	9,184	14,720	5,536
Fund balance, beginning	<u>3,103,338</u>	<u>3,103,338</u>	<u>3,103,338</u>	<u>-</u>
Fund balance, ending	<u>\$ 2,944,938</u>	<u>\$ 3,112,522</u>	<u>\$ 3,118,058</u>	<u>\$ 5,536</u>

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

Budgetary Comparison Schedule
For the Year Ended June 30, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes -				
Sales taxes - 1/2%	\$ 2,956,607	\$ 2,739,606	\$ 2,733,851	\$ (5,755)
Miscellaneous -				
Interest	<u>1,000</u>	<u>4,010</u>	<u>4,705</u>	<u>695</u>
Total revenues	<u>2,957,607</u>	<u>2,743,616</u>	<u>2,738,556</u>	<u>(5,060)</u>
Expenditures:				
Current -				
General government:				
Collection fees	15,000	32,011	31,718	293
Professional fees	10,000	6,720	5,965	755
Other	<u>-</u>	<u>-</u>	<u>288</u>	<u>(288)</u>
Total expenditures	<u>25,000</u>	<u>38,731</u>	<u>37,971</u>	<u>760</u>
Excess of revenues over expenditures	<u>2,932,607</u>	<u>2,704,885</u>	<u>2,700,585</u>	<u>(4,300)</u>
Other financing uses:				
Transfer to Sports Complex Fund	(1,100,000)	(1,100,000)	(1,100,000)	-
Transfers to Park Capital Projects Fund	(20,500)	(800,608)	(800,608)	-
Transfers to 2012 Sales Tax Bond Fund	(986,498)	(986,498)	(990,158)	(3,660)
Transfers to 2015 Sales Tax Bond Fund	<u>(697,704)</u>	<u>(697,704)</u>	<u>(697,699)</u>	<u>5</u>
Total other financing uses	<u>(2,804,702)</u>	<u>(3,584,810)</u>	<u>(3,588,465)</u>	<u>(3,655)</u>
Net change in fund balance	127,905	(879,925)	(887,880)	(7,955)
Fund balance, beginning	<u>1,196,205</u>	<u>1,196,205</u>	<u>1,196,205</u>	<u>-</u>
Fund balance, ending	<u>\$ 1,324,110</u>	<u>\$ 316,280</u>	<u>\$ 308,325</u>	<u>\$ (7,955)</u>

CITY OF BROUSSARD, LOUISIANA

Notes to the Required Supplementary Information

(1) Budget and Budgetary Accounting

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

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

OTHER SUPPLEMENTARY INFORMATION

CITY OF BROUSSARD, LOUISIANA

Statement of Net Position

June 30, 2019

With Comparative Totals for June 30, 2018

	2019			2018
	Governmental Activities	Business- Type Activities	Total	Totals
ASSETS				
Current assets:				
Cash and interest-bearing deposits	\$ 16,345,155	\$ 564,187	\$ 16,909,342	\$ 13,923,743
Receivables, net	2,876,882	473,396	3,350,278	3,558,931
Internal balances	967,760	(967,760)	-	-
Due from other governments	13,497	316,154	329,651	37,891
Prepaid items	148,227	117,688	265,915	282,128
Total current assets	<u>20,351,521</u>	<u>503,665</u>	<u>20,855,186</u>	<u>17,802,693</u>
Noncurrent assets:				
Restricted assets -				
Cash and interest-bearing deposits	1,807,944	1,814,659	3,622,603	4,347,362
Capital assets -				
Land and construction in progress	5,180,014	8,638,646	13,818,660	18,801,406
Capital assets, net	<u>22,180,537</u>	<u>57,464,210</u>	<u>79,644,747</u>	<u>72,907,610</u>
Total noncurrent assets	<u>29,168,495</u>	<u>67,917,515</u>	<u>97,086,010</u>	<u>96,056,378</u>
Total assets	<u>49,520,016</u>	<u>68,421,180</u>	<u>117,941,196</u>	<u>113,859,071</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred loss on bond refunding	<u>502,300</u>	<u>-</u>	<u>502,300</u>	<u>531,847</u>
LIABILITIES				
Current liabilities:				
Accounts, salaries and other payables	704,723	340,519	1,045,242	838,013
Due to other governments	1,195,253	-	1,195,253	35,820
Bonds payable	755,000	645,000	1,400,000	1,416,442
Accrued interest payable	102,629	173,061	275,690	280,952
Customers' deposits	-	364,875	364,875	337,527
Total current liabilities	<u>2,757,605</u>	<u>1,523,455</u>	<u>4,281,060</u>	<u>2,908,754</u>
Noncurrent liabilities:				
Compensated absences payable	383,634	110,414	494,048	472,592
Loan payable	-	1,063,412	1,063,412	-
Bonds payable	<u>18,520,535</u>	<u>25,310,000</u>	<u>43,830,535</u>	<u>45,498,737</u>
Total noncurrent liabilities	<u>18,904,169</u>	<u>26,483,826</u>	<u>45,387,995</u>	<u>45,971,329</u>
Total liabilities	<u>21,661,774</u>	<u>28,007,281</u>	<u>49,669,055</u>	<u>48,880,083</u>
NET POSITION				
Net investment in capital assets	15,862,316	40,041,783	55,904,099	53,515,684
Restricted for sales tax dedications	7,331,913	-	7,331,913	9,794,778
Restricted for debt service	1,705,315	631,723	2,337,038	3,103,883
Unrestricted (deficit)	<u>3,460,998</u>	<u>(259,607)</u>	<u>3,201,391</u>	<u>(903,510)</u>
Total net position	<u>\$ 28,360,542</u>	<u>\$ 40,413,899</u>	<u>\$ 68,774,441</u>	<u>\$ 65,510,835</u>

CITY OF BROUSSARD, LOUISIANA
General Fund

Schedule of Revenues
Budget (GAAP Basis) and Actual
For the Year Ended June 30, 2019
With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019		Variance - Positive (Negative)	2018 Actual
	Budget	Actual		
Revenues:				
Taxes -				
Franchise taxes	\$ 1,206,369	\$ 1,218,193	\$ 11,824	\$ 1,109,720
Sales taxes - 1%	<u>5,492,451</u>	<u>5,514,491</u>	<u>22,040</u>	<u>5,686,366</u>
Total taxes	<u>6,698,820</u>	<u>6,732,684</u>	<u>33,864</u>	<u>6,796,086</u>
Licenses and permits -				
Occupational licenses	847,518	849,166	1,648	782,018
Insurance licenses	305,452	377,433	71,981	362,153
Permits	<u>432,973</u>	<u>491,875</u>	<u>58,902</u>	<u>486,828</u>
Total licenses and permits	<u>1,585,943</u>	<u>1,718,474</u>	<u>132,531</u>	<u>1,630,999</u>
Intergovernmental -				
State sources -				
Video poker	89,278	97,438	8,160	89,942
On-behalf payments	165,967	167,384	1,417	153,353
Beer taxes	15,633	16,248	615	16,426
Highway maintenance	3,570	3,570	-	3,570
Resource officer	85,750	68,600	(17,150)	24,120
LEDA grant	<u>35,000</u>	<u>35,000</u>	<u>-</u>	<u>-</u>
Total intergovernmental	<u>395,198</u>	<u>388,240</u>	<u>(6,958)</u>	<u>287,411</u>
Fines and forfeits and seizures	<u>192,671</u>	<u>200,167</u>	<u>7,496</u>	<u>262,087</u>
Miscellaneous -				
Interest	23,593	22,694	(899)	16,995
Planning/review fees	8,000	7,312	(688)	14,374
Other	<u>57,027</u>	<u>94,543</u>	<u>37,516</u>	<u>97,611</u>
Total miscellaneous	<u>88,620</u>	<u>124,549</u>	<u>35,929</u>	<u>128,980</u>
Total revenues	<u>\$ 8,961,252</u>	<u>\$ 9,164,114</u>	<u>\$ 202,862</u>	<u>\$ 9,105,563</u>

CITY OF BROUSSARD, LOUISIANA
General Fund

Schedule of Expenditures
Budget (GAAP Basis) and Actual
For the Year Ended June 30, 2019
With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019		Variance - Positive (Negative)	2018 Actual
	Budget	Actual		
Current -				
General government:				
Salaries	\$ 727,631	\$ 692,113	\$ 35,518	\$ 564,429
Payroll taxes	54,602	53,535	1,067	42,299
Group insurance	148,661	148,660	1	107,577
Retirement	39,121	40,020	(899)	40,823
Auto	8,360	3,011	5,349	4,114
Insurance	80,000	75,772	4,228	98,812
Office	47,943	51,973	(4,030)	14,828
Utilities	30,158	25,928	4,230	26,218
Telephone	10,301	10,244	57	13,974
Advertising	17,001	17,238	(237)	13,764
Economic development	220,000	220,000	-	199,026
Dues and subscriptions	6,397	6,254	143	4,009
Sales tax collection fees	57,966	52,681	5,285	54,494
Supplies	21,220	21,592	(372)	20,244
Legal	87,559	98,131	(10,572)	96,944
Accounting	29,008	28,698	310	30,580
Engineering	249,430	253,871	(4,441)	249,028
Professional fees	225,974	209,315	16,659	179,693
Training and travel	19,686	20,670	(984)	-
Building inspection fees	322,819	367,108	(44,289)	363,059
Miscellaneous	26,151	22,016	4,135	29,257
Magistrate court	42,840	36,455	6,385	45,249
Repairs and maintenance	36,249	41,697	(5,448)	120,921
Civil service salaries	6,000	6,000	-	6,000
Total general government	<u>2,515,077</u>	<u>2,502,982</u>	<u>12,095</u>	<u>2,325,342</u>
Public safety:				
Police department -				
Salaries	1,587,658	1,553,689	33,969	1,474,476
On-behalf payments - salaries	170,117	167,534	2,583	153,353
Payroll taxes	130,784	126,122	4,662	117,851
Retirement	147,153	146,043	1,110	106,586
Group insurance	325,435	332,705	(7,270)	306,390
Insurance	130,000	124,668	5,332	197,482
Auto	164,882	147,542	17,340	165,605
Auto allowance	8,400	13,200	(4,800)	7,200
Uniforms and supplies	43,269	40,840	2,429	58,557
Legal	1,000	-	1,000	385
Professional fees	12,026	11,193	833	13,932
Miscellaneous	14,611	12,417	2,194	23,935
K-9 expenses	2,316	2,050	266	1,099
Repairs and maintenance	31,337	34,226	(2,889)	59,998
Training	12,549	10,862	1,687	11,665
Dues and subscriptions	22,894	24,363	(1,469)	-
Utilities and communication	63,666	55,723	7,943	59,900
Total police department	<u>2,868,097</u>	<u>2,803,177</u>	<u>64,920</u>	<u>2,758,414</u>

(continued)

CITY OF BROUSSARD, LOUISIANA
General Fund

Schedule of Expenditures
Budget (GAAP Basis) and Actual (Continued)
For the Year Ended June 30, 2019

With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019		Variance - Positive (Negative)	2018 Actual
	Budget	Actual		
Fire department -				
Appropriation to Broussard Fire Department:				
Operations	1,090,492	1,070,354	20,138	965,322
Capital	45,360	22,958	22,402	131,573
Total fire department	<u>1,135,852</u>	<u>1,093,312</u>	<u>42,540</u>	<u>1,096,895</u>
Total public safety	<u>4,003,949</u>	<u>3,896,489</u>	<u>107,460</u>	<u>3,855,309</u>
Streets and drainage:				
Salaries	1,139,537	1,136,752	2,785	1,072,633
Payroll taxes	83,789	82,743	1,046	77,149
Retirement	107,678	107,037	641	94,633
Group insurance	233,428	231,169	2,259	233,494
Insurance	171,718	174,656	(2,938)	178,948
Auto	75,985	74,945	1,040	63,295
Equipment rent	8,563	9,713	(1,150)	40,035
Equipment operating costs	70,671	66,217	4,454	50,106
Street and drainage maintenance	519,627	562,706	(43,079)	590,306
Drainage studies - engineering	139,685	105,467	34,218	161,031
Professional	31,191	29,694	1,497	24,232
Engineering	90,417	98,037	(7,620)	77,478
Utilities and communication	126,978	119,666	7,312	128,358
Uniforms and supplies	67,783	67,702	81	51,518
Casual labor	128,827	116,343	12,484	125,034
Miscellaneous	13,094	14,847	(1,753)	9,076
Total streets and drainage	<u>3,008,971</u>	<u>2,997,694</u>	<u>11,277</u>	<u>2,977,326</u>

(continued)

CITY OF BROUSSARD, LOUISIANA
General Fund

Schedule of Expenditures
Budget (GAAP Basis) and Actual (Continued)
For the Year Ended June 30, 2019

With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019		Variance - Positive (Negative)	2018 Actual
	Budget	Actual		
Capital outlay:				
General government -				
City Hall improvements	1,169	1,169	-	-
Office renovation	165,449	224,277	(58,828)	-
Security system	4,344	-	4,344	-
Downtown Charrette	85,000	-	85,000	-
School Board property	-	-	-	20,388
Police -				
Vehicles and equipment	229,166	224,021	5,145	159,253
Building renovations	31,785	29,825	1,960	-
Streets and drainage -				
Street improvements	17,481	33,740	(16,259)	124,569
Sidewalk project	19,311	19,311	-	-
Streets overlay	744,201	742,355	1,846	-
Coach House Manor overlay	118,548	109,674	8,874	-
Flashing school signals	37,220	37,370	(150)	-
Drainage project - District 2	19,301	12,550	6,751	88,031
Pat Williamson Memorial Project	10,971	8,471	2,500	-
Railroad approach	-	52,184	(52,184)	-
Vehicles and equipment	13,165	-	13,165	-
Total capital outlay	<u>1,497,111</u>	<u>1,494,947</u>	<u>2,164</u>	<u>392,241</u>
Total expenditures	<u>\$ 11,025,108</u>	<u>\$ 10,892,112</u>	<u>\$ 132,996</u>	<u>\$ 9,550,218</u>

CITY OF BROUSSARD, LOUISIANA
1992 Sales Tax Special Revenue Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget (GAAP Basis) and Actual
For the Year Ended June 30, 2019
With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019		Variance with Final Budget Positive (Negative)	2018 Actual
	Budget	Actual		
Revenues:				
Taxes -				
Sales taxes - 1%	\$ 5,492,451	\$ 5,514,491	\$ 22,040	\$ 5,686,366
Miscellaneous -				
Interest	<u>33,474</u>	<u>34,345</u>	<u>871</u>	<u>10,518</u>
Total revenues	<u>5,525,925</u>	<u>5,548,836</u>	<u>22,911</u>	<u>5,696,884</u>
Expenditures:				
Current -				
General government:				
Collection fees	57,966	52,681	5,285	52,289
Professional fees	<u>17,970</u>	<u>16,465</u>	<u>1,505</u>	<u>19,725</u>
Total expenditures	<u>75,936</u>	<u>69,146</u>	<u>6,790</u>	<u>72,014</u>
Excess of revenues over expenditures	<u>5,449,989</u>	<u>5,479,690</u>	<u>29,701</u>	<u>5,624,870</u>
Other financing uses:				
Transfers to General Fund	(4,088,212)	(4,088,212)	-	(1,000,000)
Transfer to Utility Fund	(1,050,000)	(1,050,000)	-	(800,000)
Transfers to debt service funds	(1,028,689)	(1,020,183)	8,506	(1,384,780)
Transfer to Park Capital Project Fund	-	-	-	(10,000)
Transfer to LCDBG/Streets Fund	<u>(911,000)</u>	<u>(911,000)</u>	<u>-</u>	<u>(2,250,000)</u>
Total other financing uses	<u>(7,077,901)</u>	<u>(7,069,395)</u>	<u>8,506</u>	<u>(5,444,780)</u>
Net change in fund balance	(1,627,912)	(1,589,705)	38,207	180,090
Fund balance, beginning	<u>5,495,235</u>	<u>5,495,235</u>	<u>-</u>	<u>5,315,145</u>
Fund balance, ending	<u>\$ 3,867,323</u>	<u>\$ 3,905,530</u>	<u>\$ 38,207</u>	<u>\$ 5,495,235</u>

CITY OF BROUSSARD, LOUISIANA
TIF Sales Tax Special Revenue Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget (GAAP Basis) and Actual
For the Year Ended June 30, 2019
With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019		Variance with Final Budget Positive (Negative)	2018 Actual
	Budget	Actual		
Revenues:				
Taxes -				
Sales taxes	\$ 714,257	\$ 719,846	\$ 5,589	\$ 629,275
Intergovernmental -				
Local - Lafayette Parish School Board	100,000	100,000	-	-
Miscellaneous -				
Interest	<u>3,675</u>	<u>3,222</u>	<u>(453)</u>	<u>3,028</u>
Total revenues	<u>817,932</u>	<u>823,068</u>	<u>5,136</u>	<u>632,303</u>
Expenditures:				
Current -				
General government:				
Collection fees	7,400	7,205	195	6,261
Professional fees	<u>6,515</u>	<u>6,310</u>	<u>205</u>	<u>9,120</u>
Total general government	<u>13,915</u>	<u>13,515</u>	<u>400</u>	<u>15,381</u>
Capital outlay -				
Streets and drainage:				
Marteau Road Drainage	50,280	50,280	-	-
St. Nazaire Road	<u>-</u>	<u>-</u>	<u>-</u>	<u>74,941</u>
Total capital outlay	<u>50,280</u>	<u>50,280</u>	<u>-</u>	<u>74,941</u>
Total expenditures	<u>64,195</u>	<u>63,795</u>	<u>400</u>	<u>90,322</u>
Excess of revenues over expenditures	753,737	759,273	5,536	541,981
Other financing use:				
Transfer to Utility Fund	<u>(744,553)</u>	<u>(744,553)</u>	<u>-</u>	<u>(418,211)</u>
Net change in fund balance	9,184	14,720	5,536	123,770
Fund balance, beginning	<u>3,103,338</u>	<u>3,103,338</u>	<u>-</u>	<u>2,979,568</u>
Fund balance, ending	<u>\$3,112,522</u>	<u>\$ 3,118,058</u>	<u>\$ 5,536</u>	<u>\$3,103,338</u>

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

Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget (GAAP Basis) and Actual
For the Year Ended June 30, 2019
With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019		Variance with Final Budget Positive (Negative)	2018 Actual
	Budget	Actual		
Revenues:				
Taxes -				
Sales taxes - 1/2%	\$ 2,739,606	\$ 2,733,851	\$ (5,755)	\$ 2,826,614
Miscellaneous -				
Interest	4,010	4,705	695	2,661
Total revenues	<u>2,743,616</u>	<u>2,738,556</u>	<u>(5,060)</u>	<u>2,829,275</u>
Expenditures:				
Current -				
General government:				
Collection fees	32,011	31,718	293	24,298
Professional fees	6,720	5,965	755	10,780
Other	-	288	(288)	370
Total expenditures	<u>38,731</u>	<u>37,971</u>	<u>760</u>	<u>35,448</u>
Excess of revenues over expenditures	<u>2,704,885</u>	<u>2,700,585</u>	<u>(4,300)</u>	<u>2,793,827</u>
Other financing uses:				
Transfer to Sports Complex Fund	(1,100,000)	(1,100,000)	-	(1,351,337)
Transfer to Park Capital Projects Fund	(800,608)	(800,608)	-	-
Transfers to 2012 Sales Tax Bond Fund	(986,498)	(990,158)	(3,660)	(993,158)
Transfers to 2015 Sales Tax Bond Fund	(697,704)	(697,699)	5	(698,871)
Total other financing uses	<u>(3,584,810)</u>	<u>(3,588,465)</u>	<u>(3,655)</u>	<u>(3,043,366)</u>
Net change in fund balance	(879,925)	(887,880)	(7,955)	(249,539)
Fund balance, beginning	<u>1,196,205</u>	<u>1,196,205</u>	-	<u>1,445,744</u>
Fund balance, ending	<u>\$ 316,280</u>	<u>\$ 308,325</u>	<u>\$ (7,955)</u>	<u>\$ 1,196,205</u>

CITY OF BROUSSARD, LOUISIANA
Park Capital Projects Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget (GAAP Basis) and Actual
For the Year Ended June 30, 2019
With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019		Variance with Final Budget Positive (Negative)	2018
	Budget	Actual		
Revenues:				
Miscellaneous -				
Interest	\$ 17	\$ 17	\$ -	\$ 574
Expenditures:				
Current -				
General government:				
Professional fees	15	79	(64)	4,300
Capital outlay -				
Parks and recreation:				
St. Julian Park - Phase II	-	-	-	612,148
St. Julian Park - Phase III Lighting	-	-	-	5,825
Equipment	-	-	-	33,178
Total capital outlay	-	-	-	651,151
Total expenditures	15	79	(64)	655,451
Excess (deficiency) of revenues over expenditures	2	(62)	(64)	(654,877)
Other financing sources (uses):				
Transfer from 1992 Sales Tax Fund	-	-	-	10,000
Transfer (to) from 2011 Recreation Sales Tax Fund	800,608	800,608	-	-
Transfer from Sports Complex Fund	6,800	6,800	-	-
Transfer to Streets Capital Projects Fund	(322,189)	(322,189)	-	-
Transfer (to) from General Fund	(489,210)	(489,210)	-	647,000
Total other financing sources (uses)	(3,991)	(3,991)	-	657,000
Net change in fund balance	(3,989)	(4,053)	(64)	2,123
Fund balance, beginning	4,053	4,053	-	1,930
Fund balance, ending	\$ 64	\$ -	\$ (64)	\$ 4,053

CITY OF BROUSSARD, LOUISIANA
LCDBG/Streets Capital Projects Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget (GAAP Basis) and Actual
For the Year Ended June 30, 2019
With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019		Variance with Final Budget Positive (Negative)	2018
	Budget	Actual		
Revenues:				
Intergovernmental revenue -				
LCDBG federal grant	\$ 544,886	\$ 544,886	\$ -	\$ -
Expenditures:				
Current -				
General government:				
Professional fees	4,110	5,861	(1,751)	4,870
Office expenditures	22	-	22	-
Total general government	<u>4,132</u>	<u>5,861</u>	<u>(1,729)</u>	<u>4,870</u>
Capital outlay -				
Streets and drainage:				
South Bernard/Fairfield Road extension	90,773	90,773	-	976,668
South Bernard (Hwy 90 to Highway 182)	6,618	6,618	-	148,286
South Bernard (Hwy 182 to Albertson Pkwy)	42,132	33,685	8,447	16,520
Ridgeview Outfall	48,822	46,197	2,625	-
Three-lane Main Street (Clara to St. De Pores)	101,304	101,304	-	-
Three-lane Main Street (St. De Pores to Alb Pkwy)	153,575	153,575	-	15,112
Three-lane Main Street (S. Bernard to Clara)	57,688	57,688	-	-
Cypress Bayou Lateral 2 - Div II	-	-	-	341,446
Cypress Bayou Lateral 4-B	-	-	-	752,681
Heart De Farm Road West Drainage	34,396	9,765	24,631	-
St. Nazaire Rd Improvements	93,433	93,433	-	-
Carson Rd Drainage	21,085	12,141	8,944	-
LA Hwy 182 Industrial Park	124,243	124,243	-	149,942
Highway 90 East/Garber Drainage	220,584	220,584	-	5,724
Vivian Drive Drainage	-	-	-	46,570
Total capital outlay	<u>994,653</u>	<u>950,006</u>	<u>44,647</u>	<u>2,452,949</u>
Total expenditures	<u>998,785</u>	<u>955,867</u>	<u>42,918</u>	<u>2,457,819</u>
Deficiency of revenues over expenditures	<u>(453,899)</u>	<u>(410,981)</u>	<u>42,918</u>	<u>(2,457,819)</u>
Other financing sources :				
Transfer from General Fund	-	-	-	4,410
Transfer from 1992 Sales Tax Fund	911,000	911,000	-	2,250,000
Transfer from Park Capital Projects Fund	322,189	322,189	-	-
Total other financing sources	<u>1,233,189</u>	<u>1,233,189</u>	<u>-</u>	<u>2,254,410</u>
Net change in fund balance	779,290	822,208	42,918	(203,409)
Fund balance, beginning	<u>199,467</u>	<u>199,467</u>	<u>-</u>	<u>402,876</u>
Fund balance, ending	<u>\$ 978,757</u>	<u>\$ 1,021,675</u>	<u>\$ 42,918</u>	<u>\$ 199,467</u>

CITY OF BROUSSARD, LOUISIANA
Nonmajor Governmental Funds

Combining Balance Sheet
June 30, 2019

With Comparative Totals for June 30, 2018

	Debt Service Funds					Totals	
	1998	2005	2007/2016	2008/2015	2011		
	Sales Tax	Sales Tax	Sales Tax	Sales Tax	DEQ		
	Bond	Bond	Bond	Bond	Bond	2019	2018
ASSETS							
Cash and interest-bearing deposits	\$ -	\$ -	\$ 1,109,894	\$ 398,426	\$ 299,624	\$ 1,807,944	\$ 2,565,509
Accrued interest receivable	-	-	-	-	-	-	167
Total assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,109,894</u>	<u>\$ 398,426</u>	<u>\$ 299,624</u>	<u>\$ 1,807,944</u>	<u>\$ 2,565,676</u>
LIABILITIES AND FUND BALANCES							
Liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fund balances:							
Restricted for debt service	-	-	1,109,894	398,426	299,624	1,807,944	2,565,676
Total liabilities and fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,109,894</u>	<u>\$ 398,426</u>	<u>\$ 299,624</u>	<u>\$ 1,807,944</u>	<u>\$ 2,565,676</u>

CITY OF BROUSSARD, LOUISIANA
Nonmajor Governmental Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Year Ended June 30, 2019
With Comparative Totals for Year Ended June 30, 2018

	Debt Service Funds					Totals	
	1998	2005	2007/2016	2008/2015	2011	2019	2018
	Sales Tax Bond	Sales Tax Bond	Sales Tax Bond	Sales Tax Bond	DEQ Bond		
Revenues:							
Miscellaneous - interest earned	\$ 4,893	\$ -	\$ 5,925	\$ 4,013	\$ 545	\$ 15,376	\$ 10,513
Expenditures:							
Debt service -							
Principal retirement	302,873	-	290,000	345,000	183,000	1,120,873	763,829
Interest and fiscal charges	9,679	-	280,300	367,122	23,400	680,501	704,479
Total expenditures	<u>312,552</u>	<u>-</u>	<u>570,300</u>	<u>712,122</u>	<u>206,400</u>	<u>1,801,374</u>	<u>1,468,308</u>
Deficiency of revenues over expenditures	<u>(307,659)</u>	<u>-</u>	<u>(564,375)</u>	<u>(708,109)</u>	<u>(205,855)</u>	<u>(1,785,998)</u>	<u>(1,457,795)</u>
Other financing sources (uses):							
Proceeds from issuance of debt	-	-	-	-	144,736	144,736	361,514
Transfers in	523,083	-	568,483	708,489	135,698	1,935,753	2,944,010
Transfers out	<u>(392,487)</u>	<u>(14,508)</u>	<u>(159,471)</u>	<u>(279,017)</u>	<u>(206,740)</u>	<u>(1,052,223)</u>	<u>(3,350,722)</u>
Total other financing sources (uses)	<u>130,596</u>	<u>(14,508)</u>	<u>409,012</u>	<u>429,472</u>	<u>73,694</u>	<u>1,028,266</u>	<u>(45,198)</u>
Net change in fund balance	(177,063)	(14,508)	(155,363)	(278,637)	(132,161)	(757,732)	(1,502,993)
Fund balances, beginning	<u>177,063</u>	<u>14,508</u>	<u>1,265,257</u>	<u>677,063</u>	<u>431,785</u>	<u>2,565,676</u>	<u>4,068,669</u>
Fund balances, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$1,109,894</u>	<u>\$ 398,426</u>	<u>\$299,624</u>	<u>\$ 1,807,944</u>	<u>\$ 2,565,676</u>

CITY OF BROUSSARD, LOUISIANA
Enterprise Fund
Utility Fund

Schedule of Number of Utility Customers
(Unaudited)
June 30, 2019 and 2018

Records maintained by the City indicated the following number of customers were being serviced during the months of June 30, 2019 and 2018:

<u>Department</u>	<u>2019</u>	<u>2018</u>
Water	5,269	5,090
Sewer	4,088	3,927
Garbage	4,526	4,290

CITY OF BROUSSARD, LOUISIANA

Schedule of Insurance in Force
(Unaudited)
June 30, 2019

Description of Coverage	Policy Expiration Date	Coverage Amounts
Workmen's compensation:		
Employer's liability	12/01/19	\$1,000,000
Automobile:		
Liability	12/01/19	1,000,000
Property:		
Buildings, contents, machinery, and equipment	12/01/19	39,847,429
Boiler and machinery	12/01/19	50,000,000
General liability		
Aggregate	12/01/19	3,000,000
Products-Completed Operations Aggregate	12/01/19	3,000,000
Personal & Advertising Injury	12/01/19	1,000,000
Occurrence	12/01/19	1,000,000
Damages to Premises to City	12/01/19	1,000,000
Public Officials and Employment Practices:		
Aggregate	12/01/19	3,000,000
Public officials liability	12/01/19	1,000,000
Employment practices liability	12/01/19	1,000,000
Law enforcement	12/01/19	1,000,000
Special Risk:		
Fire department vehicles	05/01/20	5,000,000
Umbrella	07/01/19	1,348,524
Crime:		
Aggregate	12/01/19	1,000,000

CITY OF BROUSSARD, LOUISIANA

Comparative Statement of Net Position

Enterprise Fund

Utility Fund

June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
ASSETS		
Current assets:		
Cash and interest-bearing deposits	\$ 248,291	\$ 152,189
Accounts receivable, net	427,458	470,441
Due from other funds	57,444	33,468
Due from other governments	316,154	-
Prepaid insurance	64,325	80,627
Total current assets	<u>1,113,672</u>	<u>736,725</u>
Noncurrent assets:		
Restricted assets -		
Cash and interest-bearing deposits	364,875	337,527
Capital assets -		
Land and construction in progress	5,359,197	4,021,505
Capital assets, net	<u>24,794,160</u>	<u>24,988,524</u>
Total noncurrent assets	<u>30,518,232</u>	<u>29,347,556</u>
Total assets	<u>31,631,904</u>	<u>30,084,281</u>
LIABILITIES		
Current liabilities:		
Accounts payable	239,288	129,629
Contracts payable	-	33,660
Retainage payable	58,536	37,693
Accrued expenses	9,549	13,656
Due to other funds	967,712	950,435
Customers' deposits (payable from restricted assets)	<u>364,875</u>	<u>337,527</u>
Total current liabilities	<u>1,639,960</u>	<u>1,502,600</u>
Noncurrent liabilities:		
Compensated absences payable	89,704	90,921
Loan payable	<u>1,063,412</u>	-
Total noncurrent liabilities	<u>1,153,116</u>	<u>90,921</u>
Total liabilities	<u>2,793,076</u>	<u>1,593,521</u>
NET POSITION		
Net investment in capital assets	29,402,284	29,010,029
Unrestricted (deficit)	<u>(563,456)</u>	<u>(519,269)</u>
Total net position	<u>\$28,838,828</u>	<u>\$28,490,760</u>

CITY OF BROUSSARD, LOUISIANA

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

Utility Fund

For the Years Ended June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Operating revenues:		
Charges for services	\$ 3,254,525	\$ 3,037,323
Miscellaneous	<u>462,538</u>	<u>506,921</u>
Total operating revenues	<u>3,717,063</u>	<u>3,544,244</u>
Operating expenses:		
Water	2,384,039	2,397,296
Sewer	2,067,240	2,004,105
Garbage	<u>1,094,617</u>	<u>981,138</u>
Total operating expenses	<u>5,545,896</u>	<u>5,382,539</u>
Loss from operations	<u>(1,828,833)</u>	<u>(1,838,295)</u>
Nonoperating revenues (expenses):		
Interest income	905	711
Interest expense	(2,187)	-
Debt issuance expense	<u>(56,084)</u>	<u>-</u>
Total nonoperating revenue (expenses)	<u>(57,366)</u>	<u>711</u>
Loss before capital contributions and transfers	<u>(1,886,199)</u>	<u>(1,837,584)</u>
Capital contributions	<u>294,979</u>	<u>2,205</u>
Transfers:		
Transfer from 1992 Sales Tax Fund	1,050,000	800,000
Transfer from TIF Sales Tax Fund	744,552	418,212
Transfers from debt service funds	<u>144,736</u>	<u>361,513</u>
Total transfers	<u>1,939,288</u>	<u>1,579,725</u>
Change in net position	348,068	(255,654)
Net position, beginning	<u>28,490,760</u>	<u>28,746,414</u>
Net position, ending	<u>\$28,838,828</u>	<u>\$28,490,760</u>

CITY OF BROUSSARD, LOUISIANA

Enterprise Fund

Utility Fund

Comparative Departmental Statement of Revenues and Expenses
For the Years Ended June 30, 2019 and 2018

	Totals		Water		Sewer		Garbage	
	2019	2018	2019	2018	2019	2018	2019	2018
Operating revenues:								
Charges for services	\$ 3,254,525	\$ 3,037,323	\$1,464,854	\$1,381,890	\$ 673,672	\$ 629,512	\$1,115,999	\$1,025,921
Connections, penalties, impact fees, and other	462,538	506,921	310,659	267,165	123,248	209,028	28,631	30,728
Total operating revenues	<u>3,717,063</u>	<u>3,544,244</u>	<u>1,775,513</u>	<u>1,649,055</u>	<u>796,920</u>	<u>838,540</u>	<u>1,144,630</u>	<u>1,056,649</u>
Operating expenses:								
Salaries	643,632	739,543	392,552	438,201	251,080	301,342	-	-
Payroll taxes and retirement	115,722	127,572	69,227	72,585	46,495	54,987	-	-
Bad debt	99,606	-	44,823	-	20,917	-	33,866	-
Group insurance	132,509	142,848	76,546	86,269	55,963	56,579	-	-
Professional fees	57,832	36,892	27,356	16,021	30,476	20,871	-	-
Engineering fees	75,871	75,948	15,021	37,129	60,850	38,819	-	-
Repairs and maintenance	515,274	639,415	99,158	216,845	416,116	422,570	-	-
Vehicle	49,113	52,954	35,322	28,791	13,791	24,163	-	-
Utilities	137,936	141,399	43,913	45,440	94,023	95,959	-	-
Materials and supplies	271,554	198,713	206,225	149,836	65,329	48,877	-	-
Depreciation	1,304,504	1,246,970	401,453	391,118	903,051	855,852	-	-
Insurance	174,525	143,888	86,697	76,323	87,828	67,565	-	-
Office	49,517	39,256	16,721	12,680	18,163	12,816	14,633	13,760
Training and travel	1,491	-	603	-	888	-	-	-
Water purchases	815,387	769,236	815,387	769,236	-	-	-	-
Garbage collection expense	1,046,118	967,378	-	-	-	-	1,046,118	967,378
Miscellaneous	55,305	60,527	53,035	56,822	2,270	3,705	-	-
Total operating expenses	<u>5,545,896</u>	<u>5,382,539</u>	<u>2,384,039</u>	<u>2,397,296</u>	<u>2,067,240</u>	<u>2,004,105</u>	<u>1,094,617</u>	<u>981,138</u>
Operating income (loss)	<u>\$ (1,828,833)</u>	<u>\$ (1,838,295)</u>	<u>\$ (608,526)</u>	<u>\$ (748,241)</u>	<u>\$ (1,270,320)</u>	<u>\$ (1,165,565)</u>	<u>\$ 50,013</u>	<u>\$ 75,511</u>

CITY OF BROUSSARD, LOUISIANA

Statement of Net Position
 Enterprise Fund
 Sports Complex Fund
 June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
ASSETS		
Current assets:		
Cash and interest-bearing deposits	\$ 315,896	\$ 76,945
Accounts receivable	45,938	-
Due from other funds	-	41,501
Prepaid insurance	<u>53,363</u>	<u>19,114</u>
Total current assets	<u>415,197</u>	<u>137,560</u>
Noncurrent assets:		
Cash and interest-bearing deposits	1,449,784	1,444,159
Capital assets -		
Land and construction in progress	3,279,449	3,279,449
Capital assets, net	<u>32,670,050</u>	<u>33,567,220</u>
Total noncurrent assets	<u>37,399,283</u>	<u>38,290,828</u>
Total assets	<u>37,814,480</u>	<u>3,417,009</u>
LIABILITIES		
Current liabilities:		
Accounts payable	23,639	25,287
Accrued expenses	9,507	-
Due to other funds	57,492	35,000
Bonds payable	645,000	625,000
Accrued interest payable	<u>173,061</u>	<u>172,723</u>
Total current liabilities	<u>908,699</u>	<u>858,010</u>
Noncurrent liabilities:		
Compensated absences payable	20,710	19,806
Bonds payable	<u>25,310,000</u>	<u>25,955,000</u>
Total noncurrent liabilities	<u>25,330,710</u>	<u>25,974,806</u>
Total liabilities	<u>26,239,409</u>	<u>26,832,816</u>
NET POSITION		
Net investment in capital assets	10,639,499	10,891,669
Restricted for debt service	631,723	646,436
Unrestricted	<u>303,849</u>	<u>57,467</u>
Total net position	<u>\$11,575,071</u>	<u>\$11,595,572</u>

CITY OF BROUSSARD, LOUISIANA

Statement of Revenues, Expenses and Changes in Fund Net Position -
 Enterprise Fund
 Sports Complex Fund
 For the Year Ended June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Operating revenues	\$ 635,029	\$ 327,625
Operating expenses:		
Salaries	503,321	501,841
Contract labor - services	95,313	82,459
Payroll taxes and retirement	59,288	43,012
Group insurance	107,529	106,629
Professional fees	67,816	30,986
Repairs and maintenance	108,844	114,646
Vehicle	9,593	10,361
Utilities and communication	151,171	202,112
Materials and supplies	86,534	197,943
Insurance	95,561	114,563
Office	19,992	12,244
Uniforms	3,648	6,300
Miscellaneous	6,645	6,444
Advertising	3,500	5,974
Award expenses	3,477	7,462
Sponsorship fees	23,339	58,317
Conference and travel	1,950	3,125
Security fees	98,607	62,945
Depreciation expense	938,969	779,900
League and tournament expense	26,428	12,941
Total operating expenses	<u>2,411,525</u>	<u>2,360,204</u>
Loss from operations	<u>(1,776,496)</u>	<u>(2,032,579)</u>
Nonoperating revenues (expenses):		
Interest income	16,425	15,175
Interest and fiscal agency fees	(1,065,481)	(1,080,041)
Loss on disposal of capital asset	(1,028)	-
Total nonoperating revenues (expenses)	<u>(1,050,084)</u>	<u>(1,064,866)</u>
Loss before capital contributions and transfers	<u>(2,826,580)</u>	<u>(3,097,445)</u>
Capital contribution	<u>-</u>	<u>10,206,916</u>
Transfers:		
Transfer from General Fund	33,104	-
Transfer from 2011 Recreation Sales Tax Fund	2,787,857	1,351,337
Transfers (to) from debt service funds	(14,882)	3,122,007
Total transfers	<u>2,806,079</u>	<u>4,473,344</u>
Change in net position	(20,501)	11,582,815
Net position, beginning	<u>11,595,572</u>	<u>12,757</u>
Net position, ending	<u>\$11,575,071</u>	<u>\$11,595,572</u>

INTERNAL CONTROL, COMPLIANCE

AND

OTHER MATTERS

KOLDER, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

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

* A Professional Accounting Corporation

The Honorable Ray Bourque,
and Members of the Board of Aldermen
City of Broussard, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Broussard, Louisiana (the City) as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated October 14, 2019.

Internal Control Over Financial Reporting

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

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying summary schedule of current and prior year audit findings and management's corrective action plan as item 2019-001(IC) to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Accounting Standards*.

The City of Broussard, Louisiana's Response to Findings

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

Purpose of this Report

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

Kolder, Slaven & Company, LLC
Certified Public Accountants

Lafayette, Louisiana
October 14, 2019

CITY OF BROUSSARD, LOUISIANA

Summary Schedule of Current and Prior Year Findings
And Management's Corrective Action Plan

Part I. Current Year Findings and Management's Corrective Action Plan

A. Internal Control Findings –

2019-001 Internal controls over St. Julien Park Sports Complex

Fiscal year finding initially occurred: 2018

CONDITION: The City did not have internal controls over St. Julien Park Sports Complex activities and transactions. The ability to access and to change rental rates and other park fees in park software, as well as maintenance of team/league activities, park rentals, and/or access to delete events from the park software were not restricted to employees who did not collect funds. Appropriate supporting documentation was not maintained so that regular reconciliations of receivables could be performed, and the City did not monitor deleted events from the park software.

CRITERIA: The City should have internal controls in place to ensure that all activities and transactions are accounted for properly at the St. Julien Park Sports Complex.

CAUSE: The City was not properly monitoring the rental process of the St. Julien Park Sports Complex.

EFFECT: The lack of controls over the rental process of the St. Julien Park Sports Complex could result in loss of rental revenue and/or misappropriation of assets.

RECOMMENDATION: The City should implement necessary internal control policies and procedures to ensure all St. Julien Park Sports Complex activities are properly recorded, reconciled, and reviewed.

MANAGEMENT'S CORRECTIVE AUCTION PLAN: The City will establish and implement internal controls over St. Julien Park Sports Complex.

B. Compliance Findings –

There are no findings to report under this section.

CITY OF BROUSSARD, LOUISIANA

Summary Schedule of Current and Prior Year Findings
And Management's Corrective Action Plan (Continued)

Part II. Prior Year Findings

C. Internal Control Findings –

2018-001 Qualified Staff Person to Apply GAAP

Fiscal year finding initially occurred: 2016

CONDITION: The City did not have a staff person with the necessary qualifications and training to apply GAAP in recording their financial transactions or to prepare their financial statements and related notes.

RECOMMENDATION: The City should evaluate the cost-benefit of establishing internal controls over the preparation of the financial statements and related notes in accordance with GAAP.

CURRENT STATUS: Resolved

2018-002 Reconciliation of the Police Forfeiture bank account

Fiscal year finding initially occurred: 2017

CONDITION: The City did not properly record activity and reconcile the activity in the Police Forfeiture bank account.

RECOMMENDATION: The City should implement necessary procedures in order to ascertain that the activity in the Police Forfeiture bank account is properly recorded, reconciled, and reviewed on a monthly basis.

CURRENT STATUS: Resolved.

2018-003 Internal controls over St. Julien Park Sports Complex

Fiscal year initially occurred: 2018

CONDITION: The City did not have internal controls over St. Julien Park Sports Complex activities and transactions. The ability to access and to change rental rates and other park fees in park software, as well as maintenance of team/league activities and/or park rentals were not restricted to employees who did not collect funds. All rentals and fees did not adhere to established fee schedules and written rental agreements. Appropriate supporting documentation was not maintained so that regular reconciliations of receivables and revenues could be performed, and the City did not monitor contracts and deposits paid to ensure all revenues were collected and/or deposited timely.

RECOMMENDATION: The City should implement and establish internal controls over St. Julien Park activities.

CURRENT STATUS: Partially resolved. See finding 2019-001.

CITY OF BROUSSARD, LOUISIANA

Summary Schedule of Current and Prior Year Findings
And Management's Corrective Action Plan (Continued)

B. Compliance Findings –

2018-004 Expenditure did not have a valid business purpose and/or itemized receipt

Fiscal year finding initially occurred: 2018

CONDITION: Itemized receipts were not maintained for credit card purchases in the amount of \$649 made by Mayor Charles Langlinais. Of this amount, \$351 was determined unallowable under Article 7, Section 14 of the state constitution. It was also determined that some fuel and telephone charges paid by the City were for the Mayor's personal use and did not have a valid business purpose. A total of \$1,721 of unallowable and/or personnel expenses should be reimbursed by the Mayor to the City. Additionally, it was noted that the Mayor drives a city-owned truck as his primary vehicle. There was no portion that was reported as taxable income to the Mayor that represented his personal use of the vehicle.

RECOMMENDATION: The City should verify that all credit card charges have the proper supporting documentation and expenditures have a valid business purpose. The City should also properly report the Mayor's personal use of the City truck as income on his W-2 or establish a vehicle allowance policy and eliminate the use of City vehicles.

CURRENT STATUS: Resolved

2018-005 Uncollected Employee Account Balances

Fiscal year finding initially occurred: 2018

CONDITION: Two St. Julien Park Sports Complex employees did not pay for sporting fees and/or park pavilion rentals during the year. The employees' accounts showed unpaid balances of \$495 and \$75, respectively. One account had unpaid balances that were more than a year old at time of audit. These unpaid balances constitute donation of public services and property for private purposes which are prohibited under Article VII, Section 14 of the Louisiana State Constitution.

RECOMMENDATION: The City should collect delinquent balances from these employees and implement policies and procedures to prevent such transactions from happening in future periods.

CURRENT STATUS: Resolved

CITY OF BROUSSARD

Broussard, Louisiana

Agreed-Upon Procedures Report

Year Ended June 30, 2019

KOLDER, SLAVEN & COMPANY, LLC

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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

* A Professional Accounting Corporation

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

We have performed the procedures enumerated below, which were agreed to by the City of Broussard (City) and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2018 through June 30, 2019. The entity's management is responsible for those C/C areas identified in the SAUPs.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

Written Policies and Procedures

1. We obtained and inspected the entity's written policies and procedures and observed that they address each of the following categories and subcategories (if applicable to public funds and the entity's operations):
 - a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget
 - 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
 - c) **Disbursements**, including processing, reviewing, and approving
 - d) **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or 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)
 - e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked
 - 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

- 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 of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases)
- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers
- 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
- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements
- k) **Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

Board or Finance Committee

(The following procedures were not performed since there were no exceptions in the prior year.)

- 2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
 - a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
 - b) Observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds.
 - c) Obtain the prior year audit report and observed the unrestricted fund balance in the General Fund. If the General Fund had a negative ending unrestricted fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unrestricted fund balance in the General Fund.

Bank Reconciliations

(The following procedures were not performed since there were no exceptions in the prior year.)

- 3. Obtain a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for selected each account, and observe that:
 - a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);

- b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and
- c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Collections

- 4. We obtained a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. We randomly selected 5 deposit sites (or all deposit sites if less than 5).
- 5. For each deposit site selected, we obtained a listing of collection locations and management's representation that the listing is complete. We randomly selected one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtained and inspected written policies and procedures relating to employee job duties (if no written policies or procedures, inquired of employees about their job duties) at each collection location, and observed that job duties are properly segregated at each collection location such that:
 - a) Employees that are responsible for cash collections do not share cash drawers/registers.
 - b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.
 - c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
 - d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.
- 6. We inquired of management that all employees who have access to cash are covered by a bond or insurance policy for theft.
- 7. We randomly selected two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (selected the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly selected a deposit if multiple deposits were made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* We obtained supporting documentation for each of the 10 deposits and:
 - a) We observed that receipts were sequentially pre-numbered.
 - b) We traced sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - c) We traced the deposit slip total to the actual deposit per the bank statement.
 - d) We observed that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).
 - e) We traced the actual deposit per the bank statement to the general ledger.

Non-Payroll Disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases)

8. We obtained a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. We randomly selected 5 locations (or all locations if less than 5).
9. For each location selected under #8 above, we obtained a listing of those employees involved with non-payroll purchasing and payment functions. We obtained written policies and procedures relating to employee job duties (if the agency had no written policies and procedures, inquired of employees about their job duties), and observed that job duties are properly segregated such that:
 - a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
 - b) At least two employees are involved in processing and approving payments to vendors.
 - c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
 - d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.
10. For each location selected under #8 above, we obtained the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtained management's representation that the population is complete. We randomly selected 5 disbursements for each location, obtained supporting documentation for each transaction and:
 - a) We observed that the disbursement matched the related original invoice/billing statement.
 - b) We observed that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

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

11. We obtained from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. We obtained management's representation that the listing is complete.
12. Using the listing prepared by management, we randomly selected 5 cards (or all cards if less than 5) that were used during the fiscal period. We randomly selected one monthly statement or combined statement for each card (for a debit card, we randomly selected one monthly bank statement), obtained supporting documentation, and:
 - a) Observed that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing, by someone other than the authorized card holder.
 - b) Observed that finance charges and late fees were not assessed on the selected statements.
13. Using the monthly statements or combined statements we selected under #12 above, excluding fuel cards, we randomly selected 10 transactions (or all transactions if less than 10) from each statement, and obtained supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, we observed that it was supported by (1) an original itemized receipt that identified precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only).

Travel and Travel-Related Expense Reimbursements (excluding card transactions)

(The following procedures were not performed since there were no exceptions in the prior year.)

14. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements select:
 - a) If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).
 - b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
 - c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).
 - d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Contracts

(The following procedures were not performed since there were no exceptions in the prior year.)

15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:
 - a) Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
 - b) Observe that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).
 - c) If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment.
 - d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

Payroll and Personnel

(The following procedures were not performed since there were no exceptions in the prior year.)

16. Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
 - a) Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:

- b) Observe that 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.)
 - c) Observe that supervisors approved the attendance and leave of the selected employees/officials.
 - d) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
17. Obtain a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees/officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations, agree the hours to the employee/officials' cumulate leave records, and agree the pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files.
18. Obtain management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.

Ethics

(The following procedures were not performed since there were no exceptions in the prior year.)

19. Using the 5 randomly select employees/officials from procedure #16 under "Payroll and Personnel" above, obtain ethics documentation from management, and:
- a) Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
 - b) Observe that the documentation demonstrates each employee/official attested through signature verification that he or she has read the entity's ethics policy during the fiscal period.

Debt Service

(The following procedures were not performed since there were no exceptions in the prior year.)

20. Obtain a listing of bonds/notes issued during the fiscal period and management's representation that the listing is complete. Select all bonds/notes on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each bond/note issued.
21. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants.

Other

(The following procedures were not performed since there were no exceptions in the prior year.)

22. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtained supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.
23. Observe that the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

Exceptions:

No exceptions were found as a result of applying the procedures listed above except:

Collections:

1. One out of ten receipts tested did not show evidence of receipt date.

Management's response: Management concurs with this finding. Receipt dates will be documented on supporting documentation for checks received for items such as franchise taxes and insurance reimbursements.

2. Three out of ten receipts tested were not deposited timely.

Management's response: Management concurs with this finding. Policies and procedures were reviewed with the department that handled the deposits in question and the issue has been corrected.

Credit Cards:

3. One out of five credit cards tested incurred interest charges.

Management's response: Management concurs with this finding. Due to a change in administration on January 2, 2019, the City was required to authorize new check signers. The signers had to be approved by the City Council at the first public meeting held on January 8, 2019. The timing to get all of the required paperwork approved and processed caused the late payment. We believe this is an isolated incident and there were no other late payments made by the City during the fiscal year.

4. Three out of five credit cards tested did not show evidence of being reviewed and approved by management.

Management's response: Management concurs with this finding. All credit card statements are now initialed by the City Clerk as documentation of management review and approval prior to payment.

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

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

Kolder, Slaven & Company, LLC
Certified Public Accountants

Lafayette, Louisiana
October 14, 2019