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**CITY OF BROUSSARD, LOUISIANA**

Financial Report

Year Ended June 30, 2009

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 1/27/10

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## INDEPENDENT AUDITORS' REPORT

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

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, as of and for the year ended June 30, 2009, which collectively comprise the basic financial statements of the City's primary government as listed in the table of contents. These financial statements are the responsibility of the City's management. 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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

The financial statements 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 those 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, and revenues of the aggregate discretely presented component units would have been reported as \$6,839,306, \$6,625,062, \$214,244, and \$36,319.

In our opinion, because of the omission of the discretely presented component units, as discussed above, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the aggregate discretely presented component units of the City, as of June 30, 2009, or the changes in financial position thereof for the year then ended.

In addition, 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, and each major fund of the City, as of June 30, 2009, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated December 30, 2009, 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 and should be considered in conjunction with this report in considering the results of our audit.

The required supplementary information on pages 34 through 35 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

The City of Broussard has not presented management's discussion and analysis that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be part of, the basic financial statements.

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 other supplementary information on pages 37 through 43 is presented for purposes of additional analysis and is not a required part of the basic financial statements. All of the other supplementary information, except for the schedule of insurance, has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole. The accompanying schedule of expenditures of federal awards on page 49 is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations", and is also not a required part of the basic financial statements of the City of Broussard, Louisiana. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly presented in all material respects in relation to the basic financial statements taken as a whole.

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

Lafayette, Louisiana  
December 30, 2009

**BASIC FINANCIAL STATEMENTS**

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

CITY OF BROUSSARD, LOUISIANA

Statement of Net Assets

June 30, 2009

	Governmental Activities	Business- Type Activities	Total
<b>ASSETS</b>			
Current assets:			
Cash and interest-bearing deposits	\$ 19,748,948	\$ 492,502	\$20,241,450
Receivables, net	1,382,437	190,396	1,572,833
Due from other governmental units	694,736	71,739	766,475
Prepaid items	133,050	37,050	170,100
Total current assets	<u>21,959,171</u>	<u>791,687</u>	<u>22,750,858</u>
Noncurrent assets:			
Restricted assets -			
Cash and interest-bearing deposits	2,063,338	150,400	2,213,738
Due from component unit	-	6,236,446	6,236,446
Deferred bond issuance costs	1,360,253	-	1,360,253
Capital assets -			
Land and construction in progress	368,058	202,682	570,740
Capital assets, net	<u>7,738,957</u>	<u>8,410,245</u>	<u>16,149,202</u>
Total noncurrent assets	<u>11,530,606</u>	<u>14,999,773</u>	<u>26,530,379</u>
Total assets	<u>33,489,777</u>	<u>15,791,460</u>	<u>49,281,237</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts, salaries and other payables	404,793	255,577	660,370
Deferred revenue	95,000	-	95,000
Bonds payable	736,839	-	736,839
Accrued interest payable	175,493	-	175,493
Total current liabilities	<u>1,412,125</u>	<u>255,577</u>	<u>1,667,702</u>
Noncurrent liabilities:			
Customers' deposits	-	150,400	150,400
Bonds payable	<u>23,093,897</u>	<u>-</u>	<u>23,093,897</u>
Total noncurrent liabilities	<u>23,093,897</u>	<u>150,400</u>	<u>23,244,297</u>
Total liabilities	<u>24,506,022</u>	<u>405,977</u>	<u>24,911,999</u>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	4,587,050	8,612,927	13,199,977
Restricted for debt service	1,888,129	-	1,888,129
Unrestricted	<u>2,508,576</u>	<u>6,773,958</u>	<u>9,282,534</u>
Total net assets	<u>\$ 8,983,755</u>	<u>\$ 15,386,885</u>	<u>\$ 24,370,640</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, 2009

Activities	Program Revenues			Net (Expense) Revenues and Changes in Net Assets		
	Fees, Fines, and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b>Governmental activities:</b>	<b>Expenses</b>					
General government	\$ 1,091,778	\$ -	\$ -	\$ 223,424	\$ -	\$ 223,424
Public safety	2,345,310	158,019	29,579	(1,794,942)	-	(1,794,942)
Streets	2,918,822	372,774	202,718	(2,343,330)	-	(2,343,330)
Interest on long-term debt	1,022,547	-	188,325	(834,222)	-	(834,222)
Total governmental activities	7,378,457	530,793	420,622	(4,749,070)	-	(4,749,070)
<b>Business-type activities:</b>						
Water	1,279,938	883,271	-	-	(396,667)	(396,667)
Sewer	967,188	280,853	43,059	-	(643,276)	(643,276)
Sanitation	439,089	465,512	-	-	26,423	26,423
Total business-type activities	2,686,215	1,629,636	43,059	-	-	-
<b>Total</b>	<b>\$ 10,064,672</b>	<b>\$ 3,307,608</b>	<b>\$ 463,681</b>	<b>(4,749,070)</b>	<b>(1,013,520)</b>	<b>(5,762,590)</b>
<b>General revenues:</b>						
Taxes -						
Sales and use taxes, levied for general purposes				10,320,901	-	10,320,901
Franchise taxes				727,402	-	727,402
Grants and contributions not restricted to specific programs -						
State sources				118,642	-	118,642
Interest and investment earnings				311,795	5,944	317,739
Miscellaneous				49,018	44,395	93,413
Transfers				(1,900,797)	1,900,797	-
Total general revenues and transfers				9,626,961	1,951,136	11,578,097
Change in net assets				4,877,891	937,616	5,815,507
Net assets - July 1, 2008				4,105,864	14,449,269	18,555,133
Net assets - June 30, 2009				\$ 8,983,755	\$ 15,386,885	\$ 24,370,640

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

**FUND FINANCIAL STATEMENTS (FFS)**

## **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 Fund**

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

#### **Sales Tax Fund -**

To account for the receipt and use of proceeds of the City's 1975 1% and 1991 1% sales and use taxes. Both taxes are dedicated to the payment of various public improvement bonds. After payment of debt service, the 1975 tax is available for any lawful purpose, and the 1991 tax is restricted to constructing, improving, operating and maintaining waterworks, sewer, fire and police protection, streets, bridges and drainage facilities.

### **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.

### **Enterprise Fund**

#### **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.

CITY OF BROUSSARD, LOUISIANA

Balance Sheet  
Governmental Funds  
June 30, 2009

	General	Sales Tax	Capital Projects	Other Governmental Funds	Total
<b>ASSETS</b>					
Cash and interest-bearing deposits	\$1,188,221	\$11,511,434	\$7,049,293	\$2,063,338	\$21,812,286
Receivables -					
Taxes and licenses	86,317	1,265,590	-	-	1,351,907
Due from other governmental units	45,938	603,202	45,596	-	694,736
Due from other funds	-	-	122,111	-	122,111
Other	28,125	510	1,611	284	30,530
Prepaid items	133,050	-	-	-	133,050
Total assets	<u>\$1,481,651</u>	<u>\$13,380,736</u>	<u>\$7,218,611</u>	<u>\$2,063,622</u>	<u>\$24,144,620</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities -					
Accounts payable and accrued expenditures	\$ 274,131	\$ 5,866	\$ -	\$ -	\$ 279,997
Contracts payable	-	-	124,796	-	124,796
Due to other funds	-	122,111	-	-	122,111
Deferred revenue	95,000	-	-	-	95,000
Total liabilities	<u>369,131</u>	<u>127,977</u>	<u>124,796</u>	<u>-</u>	<u>621,904</u>
Fund balances -					
Reserved for prepaid items	133,050	-	-	-	133,050
Reserved for debt service	-	-	-	2,063,622	2,063,622
Unreserved, undesignated	979,470	13,252,759	7,093,815	-	21,326,044
Total fund balances	<u>1,112,520</u>	<u>13,252,759</u>	<u>7,093,815</u>	<u>2,063,622</u>	<u>23,522,716</u>
Total liabilities and fund balances	<u>\$1,481,651</u>	<u>\$13,380,736</u>	<u>\$7,218,611</u>	<u>\$2,063,622</u>	<u>\$24,144,620</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 Assets  
June 30, 2009

Total fund balances for governmental funds at June 30, 2009		\$23,522,716
Total net assets reported for governmental activities in the statement of net assets 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 and construction in progress	\$ 368,058	
Buildings and improvements, net of \$752,098 accumulated depreciation	1,152,876	
Equipment and vehicles, net of \$3,055,014 accumulated depreciation	1,428,160	
Infrastructure, net of \$622,909 accumulated depreciation	<u>5,157,921</u>	8,107,015
Long-term liabilities at June 30, 2009:		
Bonds payable	(23,830,736)	
Accrued interest payable	<u>(175,493)</u>	(24,006,229)
Unamortized bond issuance costs		<u>1,360,253</u>
Total net assets of governmental activities at June 30, 2009		<u>\$ 8,983,755</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, 2009

	General	Sales Tax	Capital Projects	Other Governmental Funds	Total
<b>Revenues:</b>					
Taxes	\$ 727,402	\$ 10,320,901	\$ -	\$ -	\$ 11,048,303
Licenses and permits	1,315,202	-	-	-	1,315,202
Intergovernmental	867,339	-	202,718	-	1,070,057
Fine and forfeits	362,770	-	-	-	362,770
Interest	18,472	216,442	50,067	26,814	311,795
Miscellaneous	49,018	-	-	-	49,018
<b>Total revenues</b>	<b>3,340,203</b>	<b>10,537,343</b>	<b>252,785</b>	<b>26,814</b>	<b>14,157,145</b>
<b>Expenditures:</b>					
<b>Current -</b>					
General government	952,327	68,825	128	-	1,021,280
Public safety	2,072,464	-	-	-	2,072,464
Streets and drainage	2,616,050	-	-	-	2,616,050
Debt service	-	-	-	2,189,104	2,189,104
Capital outlay	598,811	-	876,096	-	1,474,907
<b>Total expenditures</b>	<b>6,239,652</b>	<b>68,825</b>	<b>876,224</b>	<b>2,189,104</b>	<b>9,373,805</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(2,899,449)</b>	<b>10,468,518</b>	<b>(623,439)</b>	<b>(2,162,290)</b>	<b>4,783,340</b>
<b>Other financing sources (uses):</b>					
Proceeds from the issuance of debt	-	-	7,000,000	1,165,000	8,165,000
Transfers in	3,528,719	-	716,691	1,781,121	6,026,531
Transfers out	-	(7,927,328)	-	-	(7,927,328)
<b>Total other financing sources (uses)</b>	<b>3,528,719</b>	<b>(7,927,328)</b>	<b>7,716,691</b>	<b>2,946,121</b>	<b>6,264,203</b>
<b>Net change in fund balances</b>	<b>629,270</b>	<b>2,541,190</b>	<b>7,093,252</b>	<b>783,831</b>	<b>11,047,543</b>
<b>Fund balances - beginning</b>	<b>483,250</b>	<b>10,711,569</b>	<b>563</b>	<b>1,279,791</b>	<b>12,475,173</b>
<b>Fund balances - ending</b>	<b>\$ 1,112,520</b>	<b>\$ 13,252,759</b>	<b>\$ 7,093,815</b>	<b>\$ 2,063,622</b>	<b>\$ 23,522,716</b>

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, 2009

Total net changes in fund balances at June 30, 2009 per Statement of Revenues, Expenditures and Changes in Fund Balances		\$11,047,543
The change in net assets reported for governmental activities in the statement of activities is different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Capital outlay which is considered expenditures on Statement of Revenues, Expenditures and Changes in Fund Balances	\$1,474,907	
Depreciation expense for the year ended June 30, 2009	<u>(646,116)</u>	828,791
Principal paid on long term debt considered as an expenditure on statement		710,133
Proceeds from bond issuance		(8,165,000)
Bond issuance costs		612,513
Governmental funds report the effect of issuance costs when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount represents the issuance costs amortized during the current year, not reflected as an expenditure in the statement.		
		<u>(37,777)</u>
Difference between interest on long-term debt on modified accrual basis versus interest on long-term debt on accrual basis		<u>(118,312)</u>
Total changes in net assets at June 30, 2009 per Statement of Activities		<u>\$ 4,877,891</u>

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

CITY OF BROUSSARD, LOUISIANA

Statement of Net Assets  
 Proprietary Fund  
 June 30, 2009

ASSETS

Current assets:	
Cash and interest-bearing deposits	\$ 492,502
Accounts receivable, net	190,396
Due from other governmental units	71,739
Prepaid insurance	37,050
Other	<u>1,402</u>
Total current assets	<u>793,089</u>
Noncurrent assets:	
Restricted assets -	
Cash and interest-bearing deposits	150,400
Capital assets -	
Land and construction in progress	202,682
Capital assets, net	8,410,245
Due from component unit	<u>6,236,446</u>
Total noncurrent assets	<u>14,999,773</u>
Total assets	<u>15,792,862</u>

LIABILITIES

Current liabilities:	
Accounts payable	168,953
Retainage payable	31,353
Accrued expenses	<u>55,271</u>
Total current liabilities	255,577
Noncurrent liabilities:	
Customers' deposits	<u>150,400</u>
Total liabilities	<u>405,977</u>

NET ASSETS

Invested in capital assets	8,612,927
Unrestricted	<u>6,773,958</u>
Total net assets	<u>\$15,386,885</u>

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

CITY OF BROUSSARD, LOUISIANA  
Statement of Revenues, Expenses and Changes in Fund Net Assets -  
Proprietary Fund  
For the Year Ended June 30, 2009

Operating revenues:	
Charges for services	\$ 1,629,636
Miscellaneous	<u>44,395</u>
Total operating revenues	<u>1,674,031</u>
Operating expenses:	
Water	1,279,938
Sewer	967,188
Garbage	<u>439,089</u>
Total operating expenses	<u>2,686,215</u>
Loss from operations	(1,012,184)
Nonoperating revenues:	
Interest earned	<u>5,944</u>
Loss before contributions and transfers	<u>(1,006,240)</u>
Capital contributions	<u>43,059</u>
Transfers in	<u>1,900,797</u>
Change in net assets	937,616
Net assets, beginning	<u>14,449,269</u>
Net assets, ending	<u>\$15,386,885</u>

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

CITY OF BROUSSARD, LOUISIANA

Statement of Cash Flows  
 Proprietary Fund  
 For the Year Ended June 30, 2009

Cash flows from operating activities:	
Receipts from customers	\$ 1,672,150
Payments to suppliers	(1,768,162)
Payments of employees	<u>(610,584)</u>
Net cash used by operating activities	<u>(706,596)</u>
Cash flows from noncapital financing activities:	
Transfers from other funds	<u>1,900,797</u>
Cash flows from capital and related financing activities:	
Net increase in customer deposits payable	5,860
Capital contributions	43,059
Acquisition of capital assets	<u>(1,059,004)</u>
Net cash used by capital and related financing activities	<u>(1,010,085)</u>
Cash flows from investing activities:	
Interest on cash and investments	<u>5,944</u>
Net increase in cash	190,060
Cash, beginning of period	<u>452,842</u>
Cash, end of period	<u>\$ 642,902</u>
Reconciliation of operating loss to net cash	
used by operating activities	
Operating loss	\$ (1,012,184)
Adjustments to reconcile operating loss to net cash	
used by operating activities -	
Depreciation	455,124
Changes in assets and liabilities -	
Increase in accounts receivable	(1,881)
Decrease in due from other governmental unit	501,862
Increase in due from component units	(756,400)
Increase in prepaid expenses	(4,497)
Increase in other assets	(1,402)
Increase in accounts payable	92,592
Increase in accrued expenses	<u>20,190</u>
Net cash used by operating activities	<u>\$ (706,596)</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. GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. In the government-wide financial statements and the fund financial statements for the proprietary funds, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions have been applied unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails. 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. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. In addition, component units can be other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statement to be misleading or incomplete.

The City has no authority over, nor is it involved in the record keeping of the Broussard Fire Department; therefore, the Department is not considered to be a component unit of the City and, accordingly is not included in the City's audited financial statements.

The Broussard Economic Development Corporation was chartered in 1993. The City of Broussard appoints a majority of the Corporation's Board and has the ability to impose its will on the Corporation. The Corporation is considered a component unit of the City. Separate financial statements of the Corporation are available through request at the Broussard City Hall.

The Broussard Environmental Service Enhancement District was chartered in 2001. The Council of the City of Broussard appoints a majority of the District's Board, and has the ability to impose its will on the District. The District is therefore considered a component unit of the City. Separate financial statements of the District are available at the Broussard City Hall.

## CITY OF BROUSSARD, LOUISIANA

### Notes to Basic Financial Statements (Continued)

The City has chosen to issue primary government only financial statements; therefore, the previously mentioned component units are not included in the accompanying financial statements. These primary government financial statements include all funds, and organizations for which the City maintains the accounting records.

Governmental Accounting Standards Board (GASB) Statement 14 provides for the issuance of primary government financial statements that are separate from those of the reporting entity. However, the primary government's financial statements are not a substitute for the reporting entity's financial statements. The accompanying primary government financial statements have been prepared in conformity with generally accepted accounting principles as applied to governmental units. These financial statements are not intended to and do not report on the reporting entity but rather are intended to reflect only the financial statements of the primary government.

#### B. Basis of Presentation

##### Government-Wide Financial Statements (GWFS)

The statement of net assets 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.

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.

CITY OF BROUSSARD, LOUISIANA

Notes to Basic Financial Statements (Continued)

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 enterprise funds, each displayed in a separate column. 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 Fund -

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.

Special Revenue Fund

Sales Tax Fund -

The Sales Tax Fund is used to account for the receipt and use of the proceeds of the City's two one percent sales and use taxes. These taxes may only be used for improvements and operation of specific public works and public safety activities and to fund payment of the City's related bonded debt.

Capital Projects Fund -

The Capital Projects Fund is 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).

CITY OF BROUSSARD, LOUISIANA

Notes to Basic Financial Statements (Continued)

Proprietary Fund -

Enterprise Fund

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 fund is the Utility Fund.

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 assets 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 fund utilizes an "economic resources" measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net assets (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 assets.

## CITY OF BROUSSARD, LOUISIANA

### Notes to Basic Financial Statements (Continued)

#### Basis of Accounting

In the government-wide statement of net assets 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, and liabilities 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 fund utilizes 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, Liabilities and Equity

##### Cash, interest-bearing deposits, and investments

For purposes of the statement of net assets, cash and interest-bearing deposits include all demand accounts, savings accounts, and certificates of deposits of the City. For the purpose of the proprietary fund statement of cash flows, "cash and cash equivalents" include all demand and savings accounts, and certificates of deposit or short-term investments 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 assets.

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 \$2,270 at June 30, 2009. 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:

Fire department	\$1,500
General Fund	2,500
Utility Fund	5,000

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Prior to the adoption of GASB 34, it was the City's policy not to record infrastructure; therefore, the City did not have a complete listing of infrastructure. The City has opted not to do a detailed analysis of existing infrastructure, and will begin 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

## CITY OF BROUSSARD, LOUISIANA

### Notes to Basic Financial Statements (Continued)

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.

#### 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 of sales tax bonds. For government-wide and proprietary fund reporting, the costs associated with the bonds are recognized over the life of the bond.

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 net of applicable premium or discount and payment of principal and interest reported as expenditures. For governmental fund financial reporting, issuance costs, even if withheld from the actual net proceeds received, are reported as debt service 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.

#### Equity Classifications

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

- a. Invested in capital assets, net of related debt – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

CITY OF BROUSSARD, LOUISIANA

Notes to Basic Financial Statements (Continued)

- b. Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net assets – All other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

In the fund statements, governmental fund equity is classified as fund balance. Fund balance is further classified as reserved and unreserved, with unreserved further split between designated and undesignated. Proprietary 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 Fund - 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.

CITY OF BROUSSARD, LOUISIANA

Notes to Basic Financial Statements (Continued)

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 10
Water, sewer and garbage revenue	Utility operations

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

G. Budget and Budgetary Accounting

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

1. Prior to June 15, the Mayor prepares a proposed budget and submits it to the 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. Such amendments were not material in relation to the original appropriations.

CITY OF BROUSSARD, LOUISIANA

Notes to Basic Financial Statements (Continued)

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, 2009, the City had cash and interest-bearing deposits (book balances) totaling \$22,455,188 as follows:

Demand deposits	\$ 7,235,928
Money market accounts	7,228,122
Time deposits	<u>7,991,138</u>
Total	<u>\$22,455,188</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, 2009, which are required to be secured are as follows:

Bank balances	<u>\$22,129,425</u>
Federal deposit insurance	3,190,325
Pledged securities	<u>18,939,100</u>
Total	<u>\$22,129,425</u>

Pledged securities in the amount of \$18,939,100 were exposed to custodial credit risk. These securities include uninsured or unregistered investments for which the securities are held by the bank, or by its 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.

CITY OF BROUSSARD, LOUISIANA

Notes to Basic Financial Statements (Continued)

(3) Receivables

Receivables at June 30, 2009 consisted of the following:

	Governmental Activities	Business- Type Activities	Total
Accounts, net	\$ -	\$ 141,856	\$ 141,856
Unbilled	-	48,540	48,540
Taxes:			
Sales Tax	1,265,590	-	1,265,590
Franchise Tax	86,317	-	86,317
Other	3,807	-	3,807
Fines & licenses	<u>26,723</u>	<u>-</u>	<u>26,723</u>
<b>Totals</b>	<b><u>\$1,382,437</u></b>	<b><u>\$190,396</u></b>	<b><u>\$1,572,833</u></b>

(4) Due from Other Governmental Units

Due from other governmental units at June 30, 2009 consisted of the following:

	Governmental Activities	Business- Type Activities	Total
State of Louisiana for various appropriations and reimbursements	\$682,736	\$ 71,739	\$754,475
Other municipalities	<u>12,000</u>	<u>-</u>	<u>12,000</u>
<b>Total</b>	<b><u>\$694,736</u></b>	<b><u>\$ 71,739</u></b>	<b><u>\$766,475</u></b>

(5) Due from Component Unit

Due from component unit at June 30, 2009 consisted of \$6,236,446 that is due from the Broussard Environmental Service Enhancement District. The money is payable to the Utility Fund for funds advanced to the District relative to acquiring land for and constructing sewer treatment facilities. When the treatment facilities are operable, the District shall contract to provide sewer treatment to the City. Terms for repayment of the advances have not been established.

CITY OF BROUSSARD, LOUISIANA

Notes to Basic Financial Statements (Continued)

(6) Capital Assets

Capital asset activity for the year ended June 30, 2009 follows:

	<u>Balance 07/01/08</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 06/30/09</u>
Governmental activities:				
Capital assets not being depreciated:				
Land and construction in progress	\$3,068,539	\$ 888,345	\$3,588,826	\$ 368,058
Other capital assets:				
Buildings and improvements	1,773,185	131,789	-	1,904,974
Equipment and vehicles	4,084,555	420,534	21,915	4,483,174
Infrastructure	2,157,765	3,623,065	-	5,780,830
Totals	<u>11,084,044</u>	<u>5,063,733</u>	<u>3,610,741</u>	<u>12,537,036</u>
Less accumulated depreciation				
Buildings and improvements	676,315	75,783	-	752,098
Equipment and vehicles	2,699,889	377,040	21,915	3,055,014
Infrastructure	429,616	193,293	-	622,909
Total accumulated depreciation	<u>3,805,820</u>	<u>646,116</u>	<u>21,915</u>	<u>4,430,021</u>
Governmental activities, capital assets, net	<u>\$7,278,224</u>	<u>\$4,417,617</u>	<u>\$3,588,826</u>	<u>\$8,107,015</u>
Business-type activities:				
Capital assets not being depreciated:				
Land and construction in progress	\$ 332,989	\$ 86,417	\$ 216,724	\$ 202,682
Other capital assets:				
Plant and equipment - water system	9,486,166	187,881	-	9,674,047
Plant and equipment - sewer system	4,270,861	949,490	-	5,220,351
Autos and office equipment	421,900	51,940	23,947	449,893
Totals	<u>14,511,916</u>	<u>1,275,728</u>	<u>240,671</u>	<u>15,546,973</u>
Less accumulated depreciation				
Plant and equipment - water system	4,157,329	279,551	-	4,436,880
Plant and equipment - sewer system	2,001,222	131,493	-	2,132,715
Autos and office equipment	344,318	44,080	23,947	364,451
Total accumulated depreciation	<u>6,502,869</u>	<u>455,124</u>	<u>23,947</u>	<u>6,934,046</u>
Business-type activities, capital assets, net	<u>\$8,009,047</u>	<u>\$ 820,604</u>	<u>\$ 216,724</u>	<u>\$8,612,927</u>

CITY OF BROUSSARD, LOUISIANA

Notes to Basic Financial Statements (Continued)

Depreciation expense was charged to governmental activities as follows:

General government	\$ 70,498
Streets	302,772
Public safety	<u>272,846</u>
Total depreciation expense-governmental activities	<u>\$ 646,116</u>

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

Water system	\$ 314,877
Sewer system	<u>140,247</u>
Total depreciation expense-business-type activities	<u>\$ 455,124</u>

(7) Restricted Assets

Restricted assets consisted of the following at June 30, 2009:

	Governmental Activities	Business-Type Activities	Total
1998 Revenue bond and interest sinking accounts	\$ 74,167	\$ -	\$ 74,167
2005 Revenue bond and interest sinking accounts	164,914	-	164,914
2007 Revenue bond and interest sinking accounts	351,928	-	351,928
1998 Revenue bond reserve accounts	69,610	-	69,610
2005 Revenue bond reserve accounts	534,829	-	534,829
2007 Revenue bond reserve accounts	310,256	-	310,256
2008 Revenue bond reserve accounts	557,634	-	557,634
Customers' deposits	-	<u>150,400</u>	<u>150,400</u>
Total restricted assets	<u>\$2,063,338</u>	<u>\$ 150,400</u>	<u>\$2,213,738</u>

(8) Accounts, Salaries and Other Payables

Accounts, salaries, and other payables consisted of the following at June 30, 2009:

	Governmental Activities	Business-Type Activities	Total
Accounts	\$ 62,173	\$ 168,953	\$ 231,126
Accrued payroll	36,507	9,459	45,966
Compensated absences	161,966	45,050	207,016
Contracts payable	124,796	-	124,796
Retainage payable	-	31,353	31,353
Other	<u>19,351</u>	<u>762</u>	<u>20,113</u>
Totals	<u>\$404,793</u>	<u>\$ 255,577</u>	<u>\$ 660,370</u>

CITY OF BROUSSARD, LOUISIANA

Notes to Basic Financial Statements (Continued)

(9) Long-term Debt

The following is a summary of long-term debt transactions of the City for the year ended June 30, 2009:

	<u>Revenue Bonds</u>
Long-term debt payable, July 1, 2008	\$ 16,431,793
Long-term debt issued	8,165,000
Long-term debt retired	<u>(710,133)</u>
Long-term debt payable, June 30, 2009	<u>\$23,886,660</u>

Long-term debt payable at June 30, 2009 is comprised of the following:

	<u>Total</u>	<u>Current Portion</u>
\$995,000 May 28, 1998 Sales Tax Bonds, Series A due in monthly installments of \$5,801 through May 28, 2023; interest at 4.75 percent payable from sales tax revenues.	\$ 706,660	\$ 36,839
\$6,650,000 August 31, 2005 Public Improvement Sales Tax Revenue and Refunding Bonds, Series 2005 due in annual installments of \$375,000 to \$490,000 through May 1, 2030 interest at 3.25 to 5.1%; secured by a pledge of and payable solely from the proceeds of the 1% January 1, 1992 sales and use tax; callable beginning May 1, 2015 at redemption premiums of par to 1%.	5,475,000	375,000
\$10,000,000 June 28, 2007 Public Improvement Sales Tax Revenue Bonds, Series 2007 due in annual installments of \$185,000 to \$590,000 through May 1, 2037 interest at 4.0 to 4.75%; secured by a pledge of and payable solely from the proceeds of the 1% November 1, 1991 sales and use tax; callable beginning May 1, 2017 at redemption premiums of par to 1%.	9,680,000	185,000
\$8,165,000 December 31, 2008 Public Improvement Sales Tax Revenue Bonds, Series 2008 due in annual installments of \$140,000 to \$520,000 through May 1, 2038 interest at 3.75 to 5.75%; secured by a pledge of and payable solely from the proceeds of the 1% November 1, 1991 sales and use tax; callable beginning May 1, 2018 at redemption premiums of par to 1%.	<u>8,025,000</u>	<u>140,000</u>
Total revenue bonds payable	23,886,660	<u>\$ 736,839</u>
Less: unamortized bond discount	(40,695)	
Less: unamortized loss on refunding	<u>(15,229)</u>	
Net revenue bonds payable	<u>\$ 23,830,736</u>	

CITY OF BROUSSARD, LOUISIANA

Notes to Basic Financial Statements (Continued)

The annual requirements to amortize all long-term debt outstanding as of June 30, 2009, are as follows:

Year Ended June 30,	Principal	Interest	Total
2010	\$ 736,839	\$ 1,109,129	\$ 1,845,968
2011	758,627	699,317	1,457,944
2012	800,503	677,005	1,477,508
2013	832,469	653,668	1,486,137
2014	869,531	628,532	1,498,063
2015-2019	3,892,260	2,711,186	6,603,446
2020-2024	3,651,431	2,111,258	5,762,689
2025-2029	4,285,000	1,534,038	5,819,038
2030-2034	4,450,000	876,250	5,326,250
2035-2038	3,610,000	268,375	3,878,375
	<u>\$23,886,660</u>	<u>\$11,268,758</u>	<u>\$35,155,418</u>

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

Under the terms of the 1975 1% sales tax ordinance, the sales tax may be used for any lawful public purpose, and may be funded into bonds.

The terms of the bond indenture relative to Sales Tax Bonds, Series A dated May 28, 1998 pledge and dedicate the proceeds of the 1975 1% sales and use tax to the retirement of said bonds and require those proceeds to be used first to pay collection and administration costs of the tax and second 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, among other items, 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. The City is in compliance with all significant financial requirements of the bond ordinance as of June 30, 2009.

Effective January 1, 1992, voters of the city approved an additional 1% sales tax dedicated to constructing, improving, operating and maintaining waterworks, fire and police protection facilities, sewerage works, streets, bridges and drainage. The City is authorized to fund the proceeds of the tax into bonds to pay the capital cost of the aforesaid purposes.

The Public Improvement Sales Tax Revenue and Refunding Bonds – Series 2005 ordinance provides that revenues of the 1% January 1, 1992 sales tax is to be used first to pay collection and administration costs of the tax and second 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, among other items, 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. The City is in compliance with all significant financial requirements of the bond ordinance as of June 30, 2009.

CITY OF BROUSSARD, LOUISIANA

Notes to Basic Financial Statements (Continued)

(11) Retirement and Deferred Compensation Commitments

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 4% to 8% of wages to each participating employee account based on years of service. For the year ended June 30, 2009 the City and employees contributed \$71,362 and \$71,755 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, 2009 was \$622,235.

(12) Interfund Transactions

A. Interfund receivables and payables consisted of the following at June 30, 2009:

Due to the Capital Projects Fund from the Sales Tax Fund for reimbursement of expenditures paid	<u>\$122,111</u>
Due from other funds, Balance Sheet- Governmental Funds	<u>\$ 122,111</u>

B. Interfund transfers consisted of the following at June 30, 2009:

Major funds:		
Governmental funds:		
General fund	\$3,528,719	\$ -
Sales tax special revenue fund	-	7,927,328
Capital improvement fund	716,691	-
Enterprise fund:		
Utility fund	1,900,797	-
Non-major funds	<u>1,781,121</u>	<u>-</u>
Total	<u>\$7,927,328</u>	<u>\$ 7,927,328</u>

Transfers are used to move revenues from the fund that ordinance or budget requires to collect them to the fund that ordinance or budget requires to expend them.

CITY OF BROUSSARD, LOUISIANA

Notes to Basic Financial Statements (Continued)

(13) Compensation of Mayor and Aldermen

The Mayor and Alderman were paid \$128,604 and \$123,588 respectively, during the fiscal year ended June 30, 2009.

(14) Litigation and Claims

At June 30, 2009, the City was involved in one lawsuit claiming damages. In the opinion of the City's legal counsel, resolution of this lawsuit would not create a material liability to the City in excess of insurance coverage.

(15) 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, 2009.

(16) On-Behalf Payments of Salaries

The State of Louisiana paid the City's policemen \$114,597 of supplemental pay during the year ended June 30, 2009. That amount is included in the accompanying financial statements as intergovernmental revenues and police expense in the government-wide statement of activities.

**REQUIRED  
SUPPLEMENTARY INFORMATION**

CITY OF BROUSSARD, LOUISIANA  
General Fund

Budgetary Comparison Schedule  
For the Year Ended June 30, 2009

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Taxes - franchise	\$ 375,000	\$ 550,000	\$ 727,402	\$ 177,402
Licenses and permits	1,200,000	1,080,000	1,315,202	235,202
Intergovernmental -				
FEMA	-	388,200	358,570	(29,630)
Broussard Fire Department	-	80,000	188,325	108,325
Video poker	100,000	100,000	102,235	2,235
On-behalf payments	100,000	110,000	114,597	4,597
Other	190,200	152,200	103,612	(48,588)
Fines and forfeits and seizures	250,000	300,000	362,770	62,770
Miscellaneous -				
Interest	10,000	17,000	18,472	1,472
Other	60,000	47,000	49,018	2,018
Total revenues	<u>2,285,200</u>	<u>2,824,400</u>	<u>3,340,203</u>	<u>515,803</u>
<b>Expenditures:</b>				
Current -				
General government	1,061,529	1,071,700	952,327	119,373
Public safety:				
Police	1,823,330	1,859,030	1,759,761	99,269
Fire	284,750	342,300	312,703	29,597
Streets and drainage	2,215,650	2,708,650	2,616,050	92,600
Capital outlay	<u>1,028,700</u>	<u>1,133,400</u>	<u>598,811</u>	<u>534,589</u>
Total expenditures	<u>6,413,959</u>	<u>7,115,080</u>	<u>6,239,652</u>	<u>875,428</u>
Deficiency of revenue over expenditures	(4,128,759)	(4,290,680)	(2,899,449)	1,391,231
<b>Other financing sources:</b>				
Transfers in	<u>3,500,000</u>	<u>4,000,000</u>	<u>3,528,719</u>	<u>(471,281)</u>
Net change in fund balance	<u>\$ (628,759)</u>	<u>(290,680)</u>	<u>629,270</u>	<u>919,950</u>
Fund balance, beginning		<u>483,250</u>	<u>483,250</u>	<u>-</u>
Fund balance, ending		<u>\$ 192,570</u>	<u>\$ 1,112,520</u>	<u>\$ 919,950</u>

CITY OF BROUSSARD, LOUISIANA  
Sales Tax Special Revenue Fund

Budgetary Comparison Schedule  
For the Year Ended June 30, 2009

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 9,000,000	\$ 9,500,000	\$10,320,901	\$ 820,901
Miscellaneous -				
Interest	<u>300,000</u>	<u>200,000</u>	<u>216,442</u>	<u>16,442</u>
Total revenues	<u>9,300,000</u>	<u>9,700,000</u>	<u>10,537,343</u>	<u>837,343</u>
Expenditures:				
Current -				
General government:				
Collection fees	75,000	70,000	61,062	8,938
Professional fees	20,000	10,000	7,559	2,441
Other	<u>-</u>	<u>-</u>	<u>204</u>	<u>(204)</u>
Total expenditures	<u>95,000</u>	<u>80,000</u>	<u>68,825</u>	<u>11,175</u>
Excess of revenues over expenditures	9,205,000	9,620,000	10,468,518	848,518
Other financing uses:				
Transfers out	<u>(6,930,000)</u>	<u>(9,221,300)</u>	<u>(7,927,328)</u>	<u>1,293,972</u>
Net change in fund balance	<u>\$ 2,275,000</u>	398,700	2,541,190	2,142,490
Fund balance, beginning		<u>10,711,569</u>	<u>10,711,569</u>	<u>-</u>
Fund balance, ending		<u>\$11,110,269</u>	<u>\$13,252,759</u>	<u>\$2,142,490</u>

**OTHER SUPPLEMENTARY INFORMATION**

CITY OF BROUSSARD, LOUISIANA  
General Fund

Schedule of Expenditures  
Budget (GAAP Basis) and Actual  
For the Year Ended June 30, 2009

	Budget	Actual	Variance - Favorable (Unfavorable)
General government:			
Salaries	\$ 309,000	\$ 315,406	\$ (6,406)
Payroll taxes	28,900	25,333	3,567
Group insurance	36,300	25,955	10,345
Retirement	15,000	16,523	(1,523)
Insurance	100,000	36,366	63,634
Office	50,000	48,777	1,223
Utilities	15,000	14,470	530
Telephone	18,000	17,647	353
Advertising	14,000	12,280	1,720
Council on aging	15,000	15,000	-
Economic development	75,000	83,418	(8,418)
Dues and subscriptions	3,500	3,242	258
Supplies	12,000	2,611	9,389
Professional fees	225,000	204,480	20,520
Miscellaneous	40,000	15,936	24,064
Travel	15,000	13,825	1,175
Magistrate court	50,000	39,843	10,157
Repairs and maintenance	50,000	61,215	(11,215)
Total general government	<u>1,071,700</u>	<u>952,327</u>	<u>119,373</u>
Public safety:			
Police department -			
Salaries	942,130	988,813	(46,683)
On-behalf payments - salaries	110,000	114,597	(4,597)
Payroll taxes	102,000	77,383	24,617
Retirement	30,000	20,082	9,918
Insurance	169,000	111,695	57,305
Group insurance	110,000	104,717	5,283
Auto	150,000	135,225	14,775
Uniforms and supplies	58,000	47,360	10,640
Miscellaneous	61,900	29,124	32,776
Repairs and maintenance	45,000	59,445	(14,445)
Utilities and communication	81,000	71,320	9,680
Total police department	<u>1,859,030</u>	<u>1,759,761</u>	<u>99,269</u>

(continued)

CITY OF BROUSSARD, LOUISIANA  
General Fund

Schedule of Expenditures  
Budget (GAAP Basis) and Actual (Continued)  
For the Year Ended June 30, 2009

	Budget	Actual	Variance - Favorable (Unfavorable)
Fire department -			
Salaries	103,000	98,663	4,337
Payroll taxes	10,300	8,369	1,931
Retirement	1,000	1,076	(76)
Group insurance	7,500	9,366	(1,866)
Vehicle	50,000	53,866	(3,866)
Insurance	48,000	43,614	4,386
Office	8,000	7,862	138
Professional	5,000	5,350	(350)
Utilities and communication	25,000	27,453	(2,453)
Repairs and maintenance	18,000	18,388	(388)
Supplies	51,000	35,137	15,863
Miscellaneous	15,500	3,559	11,941
Total fire department	342,300	312,703	29,597
Total public safety	2,201,330	2,072,464	128,866
Streets and drainage:			
Salaries	877,150	819,662	57,488
Payroll taxes	75,000	55,978	19,022
Retirement	36,000	31,785	4,215
Group insurance	100,000	72,206	27,794
Insurance	112,000	91,299	20,701
Equipment rent	30,000	29,083	917
Equipment operating costs	160,000	178,620	(18,620)
Street and drainage maintenance	950,000	943,549	6,451
Professional	15,000	6,762	8,238
Engineering	110,000	135,508	(25,508)
Utilities and communication	90,000	91,631	(1,631)
Uniforms and supplies	146,000	150,793	(4,793)
Uninsured losses and deductibles	-	16	(16)
Miscellaneous	7,500	9,158	(1,658)
Total streets and drainage	2,708,650	2,616,050	92,600

(continued)

CITY OF BROUSSARD, LOUISIANA  
General Fund

Schedule of Expenditures  
Budget (GAAP Basis) and Actual (Continued)  
For the Year Ended June 30, 2009

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
Capital outlay:			
General government	31,500	36,426	(4,926)
Police	205,900	155,247	50,653
Fire	140,000	123,161	16,839
Streets and drainage	<u>756,000</u>	<u>283,977</u>	<u>472,023</u>
Total capital outlay	<u>1,133,400</u>	<u>598,811</u>	<u>534,589</u>
Total expenditures	<u>\$7,115,080</u>	<u>\$6,239,652</u>	<u>\$ 875,428</u>

CITY OF BROUSSARD, LOUISIANA  
Proprietary Fund  
Utility Fund

Departmental Analysis of Revenues and Expenses  
For the Year Ended June 30, 2009

	<u>Total</u>	<u>Water</u>	<u>Sewer</u>	<u>Garbage</u>
<b>Operating revenues:</b>				
Charges for services	\$ 1,629,636	\$ 883,271	\$ 280,853	\$465,512
Miscellaneous	<u>44,395</u>	<u>24,417</u>	<u>7,991</u>	<u>11,987</u>
Total operating revenues	<u>1,674,031</u>	<u>907,688</u>	<u>288,844</u>	<u>477,499</u>
<b>Operating expenses:</b>				
Salaries	498,110	274,187	223,923	-
Payroll taxes and retirement	64,178	35,815	28,363	-
Bad debts	1,722	1,152	214	356
Group insurance	48,296	26,464	21,832	-
Professional fees	13,420	6,980	6,440	-
Engineering fees	87,775	4,400	83,375	-
Repairs and maintenance	401,197	191,295	209,902	-
Vehicle	35,530	17,580	17,950	-
Utilities	165,483	57,190	108,293	-
Materials and supplies	176,740	92,530	84,210	-
Depreciation	455,124	314,877	140,247	-
Insurance	77,427	54,119	23,308	-
Office	41,305	21,605	14,107	5,593
Water lease	154,550	154,550	-	-
Garbage collection expense	433,140	-	-	433,140
Hurricane cleanup	12,140	12,140	-	-
Miscellaneous	<u>20,078</u>	<u>15,054</u>	<u>5,024</u>	<u>-</u>
Total operating expenses	<u>2,686,215</u>	<u>1,279,938</u>	<u>967,188</u>	<u>439,089</u>
Operating income (loss)	(1,012,184)	<u>\$ (372,250)</u>	<u>\$ (678,344)</u>	<u>\$ 38,410</u>
<b>Nonoperating revenues:</b>				
Interest earned	<u>5,944</u>			
Loss before contributions and transfers	<u>(1,006,240)</u>			
Capital contributions	<u>43,059</u>			
Transfers in	<u>1,900,797</u>			
Change in net assets	937,616			
Net assets, beginning	<u>14,449,269</u>			
Net assets, ending	<u>\$ 15,386,885</u>			

CITY OF BROUSSARD, LOUISIANA  
Nonmajor Governmental Funds

Combining Balance Sheet  
June 30, 2009

	Debt Service Funds				Total
	1998 Sales Tax Bond	2005 Sales Tax Bond	2007 Sales Tax Bond	2008 Sales Tax Bond	
<b>ASSETS</b>					
Cash and interest-bearing deposits	\$143,777	\$ 699,743	\$662,184	\$557,634	\$2,063,338
Accrued interest receivable	-	284	-	-	284
<b>Total assets</b>	<b><u>\$143,777</u></b>	<b><u>\$ 700,027</u></b>	<b><u>\$662,184</u></b>	<b><u>\$557,634</u></b>	<b><u>\$2,063,622</u></b>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities	\$ -	\$ -	\$ -	\$ -	\$ -
Fund balances -					
Reserved for debt service	<u>143,777</u>	<u>700,027</u>	<u>662,184</u>	<u>557,634</u>	<u>2,063,622</u>
<b>Total liabilities and fund balances</b>	<b><u>\$143,777</u></b>	<b><u>\$ 700,027</u></b>	<b><u>\$662,184</u></b>	<b><u>\$557,634</u></b>	<b><u>\$2,063,622</u></b>

CITY OF BROUSSARD, LOUISIANA  
Nonmajor Governmental Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Year Ended June 30, 2009

	Debt Service Funds				Total
	1998	2005	2007	2008	
	Sales Tax Bond	Sales Tax Bond	Sales Tax Bond	Sales Tax Bond	
<b>Revenues:</b>					
Miscellaneous - interest earned	\$ 1,709	\$ 7,505	\$ 17,595	\$ 5	\$ 26,814
<b>Expenditures:</b>					
Debt service -					
Principal retirement	35,133	355,000	180,000	140,000	710,133
Interest and fiscal charges	34,475	246,231	440,246	758,019	1,478,971
Total expenditures	69,608	601,231	620,246	898,019	2,189,104
Deficiency of revenues over expenditures	(67,899)	(593,726)	(602,651)	(898,014)	(2,162,290)
<b>Other financing sources:</b>					
Proceeds from the issuance of debt	-	-	-	1,165,000	1,165,000
Transfers in	143,817	602,360	744,296	290,648	1,781,121
Total other financing sources	143,817	602,360	744,296	1,455,648	2,946,121
Excess of revenues and other sources over expenditures	75,918	8,634	141,645	557,634	783,831
Fund balances, beginning	67,859	691,393	520,539	-	1,279,791
Fund balances, ending	\$143,777	\$700,027	\$662,184	\$ 557,634	\$2,063,622

CITY OF BROUSSARD

Schedule of Insurance in Force  
(Unaudited)  
June 30, 2009

Description of Coverage	Policy Expiration Date	Coverage Amounts
Workmen's compensation: Employer's liability	12/01/09	\$ 100,000
Surety bonds: Police Employees/Public Official Bond	12/01/09	1,000,000
Automobile liability	12/01/09	1,000,000
Automobile comprehensive and collision coverage	12/01/09	1,000,000
Blanket coverage on buildings, contents and machinery	12/01/09	1,000,000
Law enforcement officer's liability	12/01/09	1,000,000
Public official's errors and omissions	12/01/09	1,000,000
General liability	12/01/09	1,000,000
Equipment / Property	12/01/09	756,920
Equipment rental coverage	12/01/09	25,000
Crime / Identity fraud	12/01/09	25,000

**INTERNAL CONTROL, COMPLIANCE**

**AND**

**OTHER MATTERS**

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

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

We have audited 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, 2009, which collectively comprise the City's basic financial statements and have issued our report thereon dated December 30, 2009. 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.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our auditing procedures 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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the City of Broussard's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the City's financial statements that is more than inconsequential will not be prevented or detected by the City's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the City's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

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 Auditing Standards.

This report is intended solely for the information and use of the City's management and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

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

Lafayette, Louisiana  
December 30, 2009

# KOLDER, CHAMPAGNE, SLAVEN & COMPANY, LLC

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## REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

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

### Compliance

We have audited the compliance of the City of Broussard, Louisiana (the City) with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to its major federal program for the year ended June 30, 2009. The City's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the City's compliance with those requirements.

In our opinion, the City complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended June 30, 2009.

### Internal Control Over Compliance

The management of the City is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the City's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A control deficiency in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended for the information of management, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

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

Lafayette, Louisiana  
December 30, 2009

CITY OF BROUSSARD

Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2009

<u>Federal Grantor/Pass-Through Grantor/Program Name</u>	<u>CFDA Number</u>	<u>Grant Number</u>	<u>Revenue Recognized</u>	<u>Expenditures</u>
Department of Housing and Urban Development:				
Louisiana Office of Community Development -				
Community Development Block Grants/				
State's Program				
	14.228	657764	\$161,610	\$ 161,610
	14.228	672175	41,108	41,108
	14.228	672567	43,059	43,059
U.S. Department of Homeland Security:				
Disaster Gants - Public Assistance Grants				
	97.036		358,570	358,570
Homeland Security Grant Program				
	97.067		26,885	26,885
Department of Transportation:				
State Community Highway Safety				
	20.600		22,857	22,857
Department of Justice:				
Bulletproof Vest Partnership Program				
	16.607		<u>816</u>	<u>816</u>
Total			<u>\$654,905</u>	<u>\$ 654,905</u>

CITY OF BROUSSARD, LOUISIANA

Notes to Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2009

(1) Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the City of Broussard (the City) and is presented on the modified accrual basis of accounting and the accrual basis, as appropriate, which is described in Note 1 of the Financial Statements of the City's financial statements. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations." Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

(2) Relationship to Financial Statements

Federal awards revenues are reported in the City of Broussard's financial statements as follows:

Major governmental funds:

General Fund	\$409,128
Capital Projects Fund	202,718
Proprietary Fund:	
Utility Fund	<u>43,059</u>
Total	<u>\$654,905</u>

CITY OF BROUSSARD, LOUISIANA

Schedule of Findings and Questioned Costs  
Year Ended June 30, 2009

Part I. Summary of Auditors' Results:

1. The auditors' report expresses an adverse opinion on the financial statements.
2. No significant deficiencies in internal control were disclosed by the audit of the financial statements.
3. No instances of noncompliance were disclosed by the audit of the financial statements.
4. No significant deficiencies in internal control over major federal award programs were disclosed by the audit of the financial statements.
5. An unqualified opinion was issued on compliance for the major federal program.
6. The audit disclosed no findings that are required to be reported in accordance with Section 510(a) of OMB Circular A-133.
7. The major program was the Department of Homeland Security - Disaster Grants - Public Assistance Program (97.036).
8. The dollar threshold used to distinguish between Type A and Type B programs, as described in Section 520(b) of OMB Circular A-133 was \$300,000.
9. The auditee did not qualify as a low-risk auditee under Section 530 of OMB Circular A-133.

Part II. Findings which are required to be reported in accordance with generally accepted Governmental Auditing Standards:

A. Compliance Findings-

There were no compliance findings for the year ended June 30, 2009.

B. Internal Control Findings -

There were no internal control findings for the year ended June 30, 2009.

Part III. Findings and questioned costs for Federal awards which include audit findings as defined in Section 510(a) of Circular A-133:

There are no findings required to be reported under the above guidance.

CITY OF BROUSSARD, LOUISIANA

Summary Schedule of Current and Prior Year Audit Findings  
and Corrective Action Plan  
Year Ended June 30, 2009

Fiscal Year Finding Initially Occurred	Description of finding	Corrective Action Taken	Corrective Action Planned	Name of Contact Person	Anticipated Completion Date
CURRENT YEAR (6/30/09) -					

There were no findings required to be reported.

PRIOR YEAR (6/30/08) -

Internal Control:

08-1(IC) Unknown Due to the small number of employees, the City of Broussard did not have adequate segregation of functions within the accounting system. Based upon the cost-benefit of additional personnel, it may not be feasible to achieve complete segregation of duties.