

BROUSSARD FIRE DEPARTMENT
Broussard, Louisiana

Financial Report

Years Ended June 30, 2020 and 2019

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Broussard Fire Department
Broussard, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the Broussard Fire Department (a nonprofit organization), a component unit of the City of Broussard, Louisiana, which comprise the statements of financial position as of June 30, 2020 and 2019, and the related statements of activities, statements of functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

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.

Auditor's Responsibility

Our responsibility is to express an opinion 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 from material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Broussard Fire Department as of June 30, 2020 and 2019 , and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated November 3, 2020, on our consideration of the Broussard Fire Department'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 Organization's internal control over financial reporting and compliance.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Lafayette, Louisiana
November 3, 2020

FINANCIAL STATEMENTS

BROUSSARD FIRE DEPARTMENT
Broussard, Louisiana

Statements of Financial Position
June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 284,107	\$ 204,083
Property and equipment, net	<u>2,519,326</u>	<u>1,256,274</u>
Total assets	<u>\$ 2,803,433</u>	<u>\$ 1,460,357</u>
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable	\$ 2,046	\$ 2,517
Deferred revenue	<u>62,058</u>	<u>57,547</u>
Total current liabilities	64,104	60,064
Net assets:		
Without donor restrictions	<u>2,739,329</u>	<u>1,400,293</u>
Total liabilities and net assets	<u>\$ 2,803,433</u>	<u>\$ 1,460,357</u>

The accompanying notes are an integral part of this statement.

BROUSSARD FIRE DEPARTMENT
Broussard, Louisiana

Statements of Activities
Years Ended June 30, 2020 and 2019

	2020	2019
Changes in net assets without donor restrictions -		
Revenues:		
Contributions:		
In-kind contributions - City of Broussard	\$ 1,199,252	\$ 1,070,354
Contributed equipment - City of Broussard	1,417,741	22,958
Lafayette Consolidated Government	-	21,094
Miscellaneous donations	19,407	14,080
Total contributions without donor restrictions	2,636,400	1,128,486
Other revenues:		
Contract services	52,735	-
Lafayette Consolidated Government - fire insurance tax	57,547	57,478
Grant revenue	5,000	
Interest income	208	133
Fundraising	79	3,219
Total other revenues without donor restrictions	115,569	60,830
Total contributions and other revenues without donor restrictions	2,751,969	1,189,316
Expenses and losses:		
Program services -		
Fire fighting	1,343,771	1,319,576
Supporting services -		
Management and general	64,157	63,860
Fundraising	5,005	5,432
Total supporting services	69,162	69,292
Total expenses	1,412,933	1,388,868
Change in net assets without donor restrictions	1,339,036	(199,552)
Net assets, beginning of year	1,400,293	1,599,845
Net assets, end of year	\$ 2,739,329	\$ 1,400,293

The accompanying notes are an integral part of this statement.

BROUSSARD FIRE DEPARTMENT
Broussard, Louisiana

Statements of Functional Expenses
Years Ended June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Program services:		
Fire fighting -		
Auto expense	\$ 71,478	\$ 94,963
Dues and subscriptions	613	767
Insurance	102,846	95,321
Interest expense	-	500
Fire prevention	-	6,665
Fire dog	142	-
Office supplies	12,106	15,884
Group insurance	8,503	25,654
Salaries	694,259	608,954
Payroll taxes	55,221	46,142
Retirement	2,218	2,515
Repairs and maintenance	46,116	40,576
Rehab supplies	2,218	3,165
Station supplies	51,575	64,246
Uniforms	2,880	6,109
Training	2,195	1,734
Volunteer paid per call	85,456	73,297
Utilities and communication	37,417	34,580
Meals	4,209	3,479
Depreciation	164,319	195,025
Total program services	<u>1,343,771</u>	<u>1,319,576</u>
Supporting services:		
Management and general -		
Advertising	1,897	1,548
Professional fees	34,183	40,997
Postal fees	1,665	1,463
Miscellaneous	26,412	19,852
Total management and general	<u>64,157</u>	<u>63,860</u>
Fundraising	5,005	5,432
Total supporting services	<u>69,162</u>	<u>69,292</u>
Total expenses	<u>\$ 1,412,933</u>	<u>\$ 1,388,868</u>

The accompanying notes are an integral part of this statement.

BROUSSARD FIRE DEPARTMENT
Broussard, Louisiana

Statements of Cash Flows
Years Ended June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Cash flows from operating activities:		
Increase (decrease) in net assets	\$ 1,339,036	\$ (199,552)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	164,319	195,025
In-kind contributions - Equipment - City of Broussard	(1,417,741)	(22,958)
Decrease in accounts payable	(471)	(5,142)
Increase in deferred revenue	<u>4,511</u>	<u>57,547</u>
Net cash provided by operating activities	89,654	24,920
 Cash flows from investing activities:		
Acquisition of property and equipment	(9,629)	(6,488)
 Cash flows from financing activities:		
Payment on note payable	<u>-</u>	<u>(13,363)</u>
 Increase in cash and cash equivalents	80,025	5,069
 Cash and cash equivalents, beginning of period	<u>204,083</u>	<u>199,014</u>
 Cash and cash equivalents, end of period	<u>\$ 284,108</u>	<u>\$ 204,083</u>
 Supplemental disclosure for the statement of cash flows:		
 Cash paid for interest	<u>\$ -</u>	<u>\$ 500</u>
 Non-cash investing and financing activities:		
Equipment contributed from City of Broussard	<u>\$ 1,417,741</u>	<u>\$ 22,958</u>

The accompanying notes are an integral part of this statement.

BROUSSARD FIRE DEPARTMENT
Broussard, Louisiana

Notes to Financial Statements

(1) Summary of Significant Accounting Policies

Organization

The Broussard Fire Department (Organization), component unit of the City of Broussard, Louisiana, is a non-profit corporation formed under the laws of the State of Louisiana for the purpose of impeding, preventing, and extinguishing all types of destructive fires within or near the City of Broussard, Louisiana; supervising, directing and controlling the proper care and use of all types of inflammable or combustible material found within the City; acquiring and holding property for purposes of the organization, and other related purposes.

A. Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Net assets without donor restrictions – Net assets that are not subject to donor-imposed stipulations.

Net assets with donor restrictions – Net assets subject to donor-imposed stipulations will either (1) expire by incurring expenses satisfying the restricted purpose (purpose restricted), and/or the passage of time or other events (time restricted), or (2) will never expire (perpetual in nature). When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

B. Property and Equipment

The Organization capitalizes all property and equipment acquisitions in excess of \$1,000. Purchased property and equipment are stated at cost. Donations of property and equipment are recorded as support at their estimated fair value at the date of donation. In the absence of donor stipulations regarding how long the contributed asset must be used, the Organization has adopted a policy of implying a time restriction on contributions of such assets that expire over the useful lives of the assets. Depreciable assets are depreciated using the straight-line method over the estimated useful lives of the individual assets as follows:

Buildings and improvements	7 - 31 years
Equipment and vehicles	5 - 10 years

BROUSSARD FIRE DEPARTMENT
Broussard, Louisiana

Notes to Financial Statements (Continued)

C. Income Taxes

The Organization qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code, and therefore, has no provision for federal income taxes. Since the Organization qualifies as an affiliate of a governmental unit, it is exempt from filing Form 990 *Return of Organization Exempt from Income Tax* as per Revenue Procedure 95-48.

D. Donated Services

A substantial number of volunteers have donated time to the Organization's program and supporting services. No amounts have been included in the financial statements for donated services since no objective basis is available to measure the value of such services.

E. Cash and Cash Equivalents

For purposes of the statements of cash flows, the Organization considers all instruments with maturities of three months or less to be cash equivalents.

F. Advertising Costs

Advertising costs are expensed as incurred. Total advertising expense was \$1,897 and \$1,548 for the years ended June 30, 2020 and 2019, respectively.

G. Use of Estimates

The preparation of financial statements in conformity with U.S. 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.

H. Functional Expenses

Expenses are charged directly to program or supporting services in general categories based on specific identification.

BROUSSARD FIRE DEPARTMENT
Broussard, Louisiana

Notes to Financial Statements (Continued)

(2) Liquidity and Availability of Financial Assets

The Organization's financial assets consisting of cash and cash equivalents available within one year for general use as of June 30, 2020 and 2019 are \$284,107 and \$204,083, respectively. In order to manage liquidity, the Organization has a policy to structure its financial assets to be available as its general expenses, liabilities, and other obligations.

(3) Property and Equipment

The following is a summary of property and equipment at June 30, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Land	\$ 30,000	\$ 30,000
Buildings and improvements	577,355	556,271
Equipment and vehicles	<u>4,097,414</u>	<u>2,712,948</u>
Total property and equipment	4,704,769	3,299,219
Less: Accumulated depreciation	<u>(2,185,443)</u>	<u>(2,042,945)</u>
Property and equipment, net	<u>\$ 2,519,326</u>	<u>\$ 1,256,274</u>

Depreciation expense charged to operations amounted to \$164,319 and \$195,025 for the years ended June 30, 2020 and 2019, respectively.

(4) Deferred Revenue

The Organization reports deferred revenue on the statement of financial position. Deferred revenues arise when the Organization receives resources before it has a legal claim to them. In subsequent periods, when the Organization has a legal claim to the resources, the liability for deferred revenue is removed from the statement of financial position and the revenue is recognized. The Organization had deferred revenue in the amount of \$62,058 and \$57,547 for the years ended June 30, 2020 and 2019, respectively. The deferred revenue resulted from the fire insurance tax rebate from Lafayette Consolidated Government which is for the fiscal years ended June 30, 2021 and 2020, respectively.

BROUSSARD FIRE DEPARTMENT
Broussard, Louisiana

Notes to Financial Statements (Continued)

(5) Risk Management

The Organization is exposed to risks of loss in the areas of auto liability, general liability, management liability and workers' compensation. All of these risks are handled by purchasing commercial insurance coverage (funded by City of Broussard contributions). There have been no significant reductions in the insurance coverage during the year, nor have settlements exceeded coverage for the past three years.

(6) City of Broussard - Contributions

The City of Broussard pays for expenses and equipment on behalf of the Organization, which are recorded as in-kind contributions revenue or contributed equipment and included in the various program and supporting services expenses or capitalized. During the years ended June 30, 2020 and 2019, equipment in the amount of \$1,417,741 and \$22,958, respectively, was paid by the City and included in the changes in temporarily restricted net assets. In-kind contributions for the years ended June 30, 2020 and 2019 in the amount of \$1,199,252 and \$1,070,354, respectively, were paid by the City for the following:

	2020	2019
Program services:		
Salaries and related benefits	\$ 831,201	\$ 683,265
Auto expense	71,478	94,962
Insurance	102,846	95,321
Supplies, repairs, and maintenance	92,063	92,888
Utilities and communication	37,417	34,580
Total program services	1,135,005	1,001,016
Supporting services - management and general		
Professional fees	38,863	50,888
Miscellaneous	25,384	18,450
Total supporting services - management and general	64,247	69,338
Total in-kind contributions	\$ 1,199,252	\$ 1,070,354

BROUSSARD FIRE DEPARTMENT
Broussard, Louisiana

Notes to Financial Statements (Continued)

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

The schedules of compensation, benefits, and other payments to Chief Bryan Champagne for the years ended June 30, 2020 and 2019, respectively, are as follows:

Purpose:	<u>2020</u>	<u>2019</u>
Salary	\$ 44,310	\$ 43,068
Benefits - insurance	-	7,822
Cell phone reimbursements	<u>600</u>	<u>300</u>
Total	<u>\$ 44,910</u>	<u>\$ 51,190</u>

(8) Subsequent Events

The Organization has evaluated subsequent events through November 3, 2020, the date which the financial statements were made available.

As a result of the spread of the COVID 19 coronavirus, economic uncertainties have arisen which may have and may continue to impact the City's ongoing operations. The extent and severity of the potential impact on future operations is unknown at this time.

**INTERNAL CONTROL,
COMPLIANCE
AND
OTHER MATTERS**

KOLDER, SLAVEN & COMPANY, LLC

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Victor R. Slaven, CPA* - retired 2020

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INDEPENDENT AUDITOR'S 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*

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To the Board of Directors
Broussard Fire Department
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 Broussard Fire Department (a nonprofit organization), a component unit of the City of Broussard, Louisiana, which comprise the statement of financial position as of June 30, 2020, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated November 3, 2020.

Internal Control Over Financial Reporting

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

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 a 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.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we that we consider to be material weakness. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Broussard Fire Department'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*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization'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 Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purposes. 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
November 3, 2020

BROUSSARD FIRE DEPARTMENT
Broussard, Louisiana

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

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

A. Compliance Findings –

There are no findings to report under this section.

B. Internal Control Findings –

There are no findings to report under this section.

Part II. Prior Year Findings

A. Compliance Findings –

There are no findings to report under this section.

B. Internal Control Findings –

There are no findings to report under this section.