

**BROUSSARD FIRE DEPARTMENT**  
Broussard, Louisiana

Financial Report

Years Ended June 30, 2018 and 2017

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# KOLDER, SLAVEN & COMPANY, LLC

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## INDEPENDENT AUDITOR'S REPORT

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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, 2018 and 2017, and the related statements of activities 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, 2018 and 2017 , 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 Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The statements of functional expenses on page 13 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued a report dated September 21, 2018, 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  
September 21, 2018

**FINANCIAL STATEMENTS**

**BROUSSARD FIRE DEPARTMENT**  
**Broussard, Louisiana**

**Statements of Financial Position**  
**June 30, 2018 and 2017**

	2018	2017
<b>ASSETS</b>		
<b>Current assets:</b>		
Cash and cash equivalents	\$ 199,014	\$ 213,708
Property and equipment, net	1,421,853	1,411,631
Total assets	\$ 1,620,867	\$1,625,339
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current liabilities:</b>		
Accounts payable	\$ 7,659	\$ 1,567
<b>Long-term liabilities:</b>		
Note payable	13,363	61,153
Total liabilities	21,022	62,720
<b>Net assets:</b>		
Temporarily restricted	1,052,440	1,066,378
Unrestricted	547,405	496,241
Total net assets	1,599,845	1,562,619
Total liabilities and net assets	\$ 1,620,867	\$1,625,339

The accompanying notes are an integral part of this statement.

**BROUSSARD FIRE DEPARTMENT**  
Broussard, Louisiana

Statements of Activities  
Years Ended June 30, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Unrestricted net assets:		
Unrestricted revenues -		
Contributions:		
In-kind contributions - City of Broussard	\$ 839,322	\$ 667,191
Lafayette Parish Consolidated Government	56,250	50,000
Miscellaneous donations	840	525
Total contributions	<u>896,412</u>	<u>717,716</u>
Other revenues:		
Contract services	126,000	126,000
Lafayette Parish - fire insurance tax	62,753	56,299
Interest income	264	324
Other income	-	23,487
Total other revenues	<u>189,017</u>	<u>206,110</u>
Total contributions and other revenues	1,085,429	923,826
Net assets released from restrictions	<u>145,511</u>	<u>182,422</u>
Total unrestricted revenues and other support	<u>1,230,940</u>	<u>1,106,248</u>
Expenses and losses:		
Program services -		
Fire fighting	<u>1,129,398</u>	<u>967,626</u>
Supporting services -		
Management and general	48,426	34,910
Fundraising	-	6,718
Total supporting services	<u>48,426</u>	<u>41,628</u>
Total expenses	1,177,824	1,009,254
Loss on disposition of assets	<u>1,952</u>	<u>-</u>
Total expenses and losses	<u>1,179,776</u>	<u>1,009,254</u>
Increase in unrestricted net assets	<u>51,164</u>	<u>96,994</u>
Changes in temporarily restricted net assets:		
Contributed equipment - City of Broussard	131,573	273,050
Net assets released from restrictions	<u>(145,511)</u>	<u>(182,422)</u>
Increase (decrease) in temporarily restricted net assets	<u>(13,938)</u>	<u>90,628</u>
Increase in net assets	37,226	187,622
Net assets, beginning of year	<u>1,562,619</u>	<u>1,374,997</u>
Net assets, end of year	<u>\$ 1,599,845</u>	<u>\$ 1,562,619</u>

The accompanying notes are an integral part of this statement.

**BROUSSARD FIRE DEPARTMENT**  
Broussard, Louisiana

Statements of Cash Flows  
Years Ended June 30, 2018 and 2017

	2018	2017
<b>Cash flows from operating activities:</b>		
Increase in net assets	\$ 37,226	\$ 187,622
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	195,691	193,316
Loss on disposition of assets	1,952	-
In-kind contributions	(131,573)	(273,050)
Increase in accounts payable	6,092	284
Net cash provided by operating activities	109,388	108,172
 <b>Cash flows from investing activities:</b>		
Acquisition of property and equipment	(76,292)	(159,930)
 <b>Cash flows from financing activities:</b>		
Proceeds from note payable	-	108,155
Payment on note payable	(47,790)	(47,002)
Net cash provided (used) by financing activities	(47,790)	61,153
 Increase (decrease) in cash and cash equivalents	(14,694)	9,395
 Cash and cash equivalents, beginning of period	213,708	204,313
 Cash and cash equivalents, end of period	\$ 199,014	\$ 213,708
 <b>Supplemental disclosure for the statement of cash flows:</b>		
 Cash paid for interest	\$ 2,210	\$ 2,998
 Non-cash investing and financing activities:		
Equipment contributed from City of Broussard	\$ 131,573	\$ 273,050

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 Organization utilizes the accrual basis of accounting. Using this method, revenues are recognized when earned and expenses are recognized when incurred.

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

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.

**BROUSSARD FIRE DEPARTMENT**  
Broussard, Louisiana

Notes to Financial Statements (Continued)

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 \$736 and \$932 for the years ended June 30, 2018 and 2017, 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.

(2) Property and Equipment

The following is a summary of property and equipment at June 30, 2018 and 2017:

	<u>2018</u>	<u>2017</u>
Land	\$ 30,000	\$ 30,000
Buildings and improvements	535,814	450,523
Equipment and vehicles	<u>2,703,959</u>	<u>2,620,452</u>
Total property and equipment	3,269,773	3,100,975
Less: Accumulated depreciation	<u>(1,847,920)</u>	<u>(1,689,344)</u>
Property and equipment, net	<u>\$ 1,421,853</u>	<u>\$ 1,411,631</u>

Depreciation expense charged to operations amounted to \$195,691 and \$193,316 for the years ended June 30, 2018 and 2017, respectively.

BROUSSARD FIRE DEPARTMENT  
Broussard, Louisiana

Notes to Financial Statements (Continued)

(3) Note Payable

	<u>2018</u>	<u>2017</u>
Note payable to bank, bearing interest at the rate of 2.96%, payable in 3 annual installments (principal and interest) of \$38,131, with a maturity of July 1, 2019 and secured by a fire truck with a book value of \$364,684 and \$392,207 at June 30, 2018 and 2017, respectively.	\$ 13,363	\$ 61,153
Less: current portion	-	-
Total note payable	\$ 13,363	\$ 61,153

Maturities of the note payable are as follows:

Year Ended June 30,	
2020	\$ 13,363

(4) Temporarily Restricted Net Assets

Temporarily restricted assets in the amount of \$1,052,440 and \$1,066,378 at June 30, 2018 and 2017, respectively, consisted of the remaining estimated useful lives of contributed fixed assets.

(5) Net Assets Released from Restrictions

Net assets released from restrictions in the amount of \$145,511 and \$182,422 for the years ended June 30, 2018 and 2017, respectively, was due to the expiration of time restrictions on the remaining estimated useful lives of contributed fixed assets.

(6) 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.

(7) Concentration of Credit Risk

The Organization maintains cash balances at two financial institutions, which at times exceeds federally insured limits. Accounts are insured by the Federal Deposit Insurance Corporation up to \$250,000. At June 30, 2018 and 2017, the Organization's cash balances were fully secured.

**BROUSSARD FIRE DEPARTMENT**  
**Broussard, Louisiana**

Notes to Financial Statements (Continued)

(8) 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, 2018 and 2017, equipment in the amount of \$131,573 and \$273,050, 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, 2018 and 2017 in the amount of \$839,322 and \$667,191, respectively, were paid by the City for the following:

	2018	2017
<b>Program services:</b>		
Salaries and related benefits	\$ 529,517	\$ 385,222
Auto expense	76,454	74,125
Insurance	73,131	79,932
Supplies, repairs, and maintenance	78,507	63,943
Utilities and communication	41,381	34,514
Total program services	798,990	637,736
<b>Supporting services - management and general</b>		
Professional fees	36,478	25,390
Miscellaneous	3,854	4,065
Total supporting services - management and general	40,332	29,455
Total in-kind contributions	\$ 839,322	\$ 667,191

(9) 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, 2018 and 2017, respectively, are as follows:

	2018	2017
<b>Purpose:</b>		
Salary	\$ 41,808	\$ 41,808
Benefits - insurance	14,973	13,649
Benefits - other	876	240
Auto reimbursements	-	1,750
Continuing professional education	-	300
Total	\$ 57,657	\$ 57,747

BROUSSARD FIRE DEPARTMENT  
Broussard, Louisiana

Notes to Financial Statements (Continued)

(10) New Accounting Pronouncements

The Financial Accounting Standards Board (FASB) issued ASU No.2016-14 (Topic 958), Presentation of Financial Statements of Not-for-Profit Entities. The requirements of this statement are effective for fiscal years beginning after December 17, 2017. The effect of implementation of this pronouncement on the Organization's financial statements has not yet been determined.

(11) Subsequent Events

The Organization has evaluated subsequent events through September 21, 2018, the date which the financial statements were made available.

**SUPPLEMENTAL INFORMATION**

**BROUSSARD FIRE DEPARTMENT**  
**Broussard, Louisiana**

**Statements of Functional Expenses**  
**Years Ended June 30, 2018 and 2017**

	2018	2017
<b>Program services:</b>		
<b>Fire fighting -</b>		
Auto expense	\$ 76,946	\$ 80,578
Dues and subscriptions	864	1,972
Insurance	73,131	79,932
Interest expense	2,210	2,998
Fire prevention	4,412	3,037
Office supplies	7,661	8,434
Group insurance	35,654	26,514
Salaries	455,687	330,714
Payroll taxes	33,998	24,786
Retirement	4,178	3,210
Repairs and maintenance	40,278	34,263
Rehab supplies	3,042	2,227
Station supplies	67,533	49,045
Uniforms	3,620	1,403
Training	3,735	218
Volunteer paid per call	79,377	90,465
Utilities and communication	41,381	34,514
Depreciation	195,691	193,316
Total program services	1,129,398	967,626
<b>Supporting services:</b>		
<b>Management and general -</b>		
Advertising	736	932
Meals	4,560	2,567
Professional fees	36,478	25,390
Postal fees	6	250
Miscellaneous	6,646	5,771
Total management and general	48,426	34,910
Fundraising	-	6,718
Total supporting services	48,426	41,628
 Total expenses	 \$ 1,177,824	 \$ 1,009,254

**INTERNAL CONTROL,  
COMPLIANCE  
AND  
OTHER MATTERS**

# KOLDER, SLAVEN & COMPANY, LLC

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

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\* A Professional Accounting Corporation

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, 2018, 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 September 21, 2018.

### 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.

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

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. We consider the deficiencies described in the accompanying summary schedule of current and prior year audit findings and management's corrective action plan as items 2018-001 and 2018-002 to be material weaknesses.

## **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*.

## **Broussard Fire Department's Response to Findings**

Broussard Fire Department's response to the findings identified in our audit is described in the accompanying summary schedule of current year audit findings and management's corrective action plan. We did not audit Broussard Fire Department's response and, accordingly, we express no opinion on it.

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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  
September 21, 2018

BROUSSARD FIRE DEPARTMENT

Summary Schedule of Current and Prior Year Audit Findings  
and Management's Corrective Action Plan  
Year Ended June 30, 2018

Ref. No.	Fiscal Year Finding Initially Occurred	Description of finding	Corrective Action Taken	Corrective Action Planned	Name of Contact Person	Anticipated Completion Date
CURRENT YEAR (6/30/18) --						
<u>Internal Control:</u>						
2018-001(IC)	2015	Due to the small number of employees, the Organization did not have adequate segregation of functions within the accounting system.	N/A	No response is considered necessary.	Bryan Champagne, Fire Chief	N/A
2018-002(IC)	2015	The Organization does not have a staff person who has the qualifications and training to apply generally accepted accounting principles (GAAP) in recording the entity's financial transactions or preparing its financial statements, including the related notes.	No	The Organization has evaluated the cost vs. benefit of establishing internal controls over the preparation of financial statements in accordance with GAAP, and determined that it is in the best interests of the Organization to outsource this task to its independent auditors, and to carefully review the draft financial statements and notes prior to approving them and accepting responsibility for their contents and presentation.	Bryan Champagne, Fire Chief	N/A

(continued)

**BROUSSARD FIRE DEPARTMENT**

**Summary Schedule of Current and Prior Year Audit Findings  
and Management's Corrective Action Plan (Continued)  
Year Ended June 30, 2018**

<u>Ref. No.</u>	<u>Fiscal Year Finding Initially Occurred</u>	<u>Description of finding</u>	<u>Corrective Action Taken</u>	<u>Corrective Action Planned</u>	<u>Name of Contact Person</u>	<u>Anticipated Completion Date</u>
<b>PRIOR YEAR (6/30/17) --</b>						
<b><u>Internal Control:</u></b>						
2017-001(IC)	2015	Due to the small number of employees, the Organization did not have adequate segregation of functions within the accounting system.	N/A	No response is considered necessary.	Bryan Champagne, Fire Chief	N/A
2017-002(IC)	2015	The Organization does not have a staff person who has the qualifications and training to apply generally accepted accounting principles (GAAP) in recording the entity's financial transactions or preparing its financial statements, including the related notes.	No	The Organization has evaluated the cost vs. benefit of establishing internal controls over the preparation of financial statements in accordance with GAAP, and determined that it is in the best interests of the Organization to outsource this task to its independent auditors, and to carefully review the draft financial statements and notes prior to approving them and accepting responsibility for their contents and presentation.	Bryan Champagne, Fire Chief	N/A

**BROUSSARD FIRE DEPARTMENT**

Broussard, Louisiana

**Agreed-Upon Procedures Report**

Year Ended June 30, 2018

# KOLDER, SLAVEN & COMPANY, LLC

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## INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

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To the Board of Directors of the  
Broussard Fire Department and the  
Louisiana Legislative Auditor

We have performed the procedures enumerated below, which were agreed to by the management of the Broussard Fire Department (Entity) and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2017 through June 30, 2018. The entity's management is responsible for those C/C areas identified in the SAUPs.

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

The procedures and associated findings are as follows:

### Written Policies and Procedures

1. We obtained and inspected the entity's written policies and procedures and observed that they address each of the following categories and subcategories (if applicable to public funds and the entity's operations):
  - a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget
  - b) **Purchasing**, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.
  - c) **Disbursements**, including processing, reviewing, and approving
  - d) **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

- e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.
- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases)
- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers
- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.
- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

#### ***Board or Finance Committee***

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- 2. We obtained and inspected the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
  - a) We observed that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
  - b) We observed that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.
  - c) Obtain the prior year audit report and observe the unrestricted fund balance in the General Fund. If the General Fund had a negative ending unrestricted fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unrestricted fund balance in the General Fund. **(This procedure was not performed since it is not applicable to nonprofit organizations.)**

#### ***Bank Reconciliations***

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- 3. We obtained a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. We asked management to identify the entity's main operating account. We selected the entity's main operating account and randomly selected 5 additional accounts (or all accounts if less than 5). We randomly selected one month from the fiscal period, obtained and inspected the corresponding bank statement and reconciliation for selected accounts, and observed that:
  - a) Bank reconciliations included evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);
  - b) Bank reconciliations included evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and
  - c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

## Collections

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

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

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

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

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

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

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

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

**Contracts**

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

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

**Payroll and Personnel**

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

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

- a) Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)
  - b) Observe that supervisors approved the attendance and leave of the selected employees/officials.
  - c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
18. Obtain a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees/officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations, agree the hours to the employee/officials' cumulative leave records, and agree the pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files.
  19. Obtain management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.

### ***Ethics***

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

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

### ***Debt Service***

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

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

### ***Other***

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

## **Exceptions:**

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

### **Written Policies and Procedures:**

1. The entity does not have written policies and procedures addressing recordation of receipts and management's actions to determine the completeness of all collections for each type of revenue.

*Management's response:* The entity will update their written policies and procedures to include recordation of receipts and management's actions to determine the completeness of all collections for each type of revenue.

### **Bank Reconciliations:**

2. For one of the three bank accounts tested, there was no evidence that management researched outstanding items in excess of 12 months.

*Management's response:* Management will research outstanding items in excess of 12 months for all bank accounts.

### **Collections:**

3. For one of the seven transactions selected for testing, there was no sequentially pre-numbered receipt issued.

*Management's response:* The entity will ascertain that sequentially pre-numbered receipts will be issued for all cash collections.

4. One of the seven transactions selected for testing was not deposited within one business day of receipt.

*Management's response:* The entity will ascertain that all collections of \$100 or more will be deposited within one business day of receipt.

### **Non-Payroll Disbursements**

5. The same employee initiates a purchase request, approves a purchase and places an order/making a purchase.

*Management's response:* The entity will ascertain that at least two employees are involved in initiating a purchase request, approving a purchase and placing an order/making a purchase.

6. The same employee processes and approves payments to vendors.

*Management's response:* The entity will ascertain that at least two employees are involved in processing and approving payments to vendors.

7. The employee responsible for processing payments is not prohibited from adding/modifying/vendor files.

**Management's response:** The entity will ascertain that the employee responsible for processing payments is prohibited from adding/modifying/vendor files.

8. In four of the five items selected for testing, the disbursement documentation did not include evidence of segregations of duties.

**Management's response:** The entity will ascertain that all disbursement documentation will include evidence of segregations of duties.

**Credit Cards/Debit Cards/Fuel Cards/P-Cards:**

9. For the month selected for testing, the monthly statement was not reviewed or approved, in writing, by someone other than the authorized card holder.

**Management's response:** The entity will ascertain that all monthly credit card statements will be reviewed and approved, in writing, by someone other than the authorized card holder.

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

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

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

Lafayette, Louisiana  
September 21, 2018