

BROUSSARD FIRE DEPARTMENT
Broussard, Louisiana

Financial Report

Years Ended June 30, 2022 and 2021

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KOLDER, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

Brad E. Kolder, CPA, JD*
Gerald A. Thibodeaux, Jr., CPA*
Robert S. Carter, CPA*
Arthur R. Mixon, CPA*
Stephen J. Anderson, CPA*
Matthew E. Margaglio, CPA*
Casey L. Ardoin, CPA, CFE*
Wanda F. Arcement, CPA
Bryan K. Joubert, CPA
Nicholas Fowlkes, CPA

C. Burton Kolder, CPA*
Of Counsel

183 S. Beadle Rd.
Lafayette, LA 70508
Phone (337) 232-4141

11929 Bricksome Ave.
Baton Rouge, LA 70816
Phone (225) 293-8300

1428 Metro Dr.
Alexandria, LA 71301
Phone (318) 442-4421

450 E. Main St.
New Iberia, LA 70560
Phone (337) 367-9204

200 S. Main St.
Abbeville, LA 70510
Phone (337) 893-7944

1201 David Dr.
Morgan City, LA 70380
Phone (985) 384-2020

434 E. Main St.
Ville Platte, LA 70586
Phone (337) 383-2792

332 W. Sixth Ave.
Oberlin, LA 70655
Phone (337) 639-4737

WWW.KCSRCPAS.COM

Victor R. Slaven, CPA* - retired 2020
Christine C. Doucet, CPA - retired 2022

INDEPENDENT AUDITOR'S REPORT

* A Professional Accounting Corporation

To the Board of Directors
Broussard Fire Department
Broussard, Louisiana

Report on the Financial Statements

Opinion

We have audited the accompanying financial statements of the Broussard Fire Department (a nonprofit organization), which comprise the statements of financial position as of June 30, 2022 and 2021, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

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, 2022 and 2021, 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.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Broussard Fire Department and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Broussard Fire Department's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards we exercise professional judgment and maintain professional skepticism throughout the audit. We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. We obtain an understanding of internal control relevant to the audit 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 Broussard Fire Department's internal control. Accordingly, no such opinion is expressed. We evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements. We conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Broussard Fire Department's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 12, 2022, 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 solely 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 effectiveness of the organization's 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 Broussard Fire Department's internal control over financial reporting and compliance.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Lafayette, Louisiana
December 12, 2022

FINANCIAL STATEMENTS

BROUSSARD FIRE DEPARTMENT
Broussard, Louisiana

Statements of Financial Position
June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 164,591	\$ 187,648
Property and equipment, net	<u>2,246,417</u>	<u>2,444,070</u>
Total assets	<u>\$ 2,411,008</u>	<u>\$2,631,718</u>
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable	\$ 13,063	\$ 30,789
Net assets:		
Without donor restrictions	<u>2,397,945</u>	<u>2,600,929</u>
Total liabilities and net assets	<u>\$ 2,411,008</u>	<u>\$2,631,718</u>

The accompanying notes are an integral part of this statement.

BROUSSARD FIRE DEPARTMENT
Broussard, Louisiana

Statements of Activities
Years Ended June 30, 2022 and 2021

	2022	2021
Changes in net assets without donor restrictions -		
Revenues:		
Contributions:		
In-kind contributions - City of Broussard	\$ 1,515,907	\$ 1,314,175
Contributed equipment - City of Broussard	17,212	134,291
Miscellaneous donations	19,950	24,417
Total contributions without donor restrictions	1,553,069	1,472,883
Other revenues:		
Contract services	42,188	42,188
Lafayette Consolidated Government - fire insurance tax	62,413	62,057
Interest income	222	387
Fundraising	7,977	17,915
Total other revenues without donor restrictions	112,800	122,547
Total contributions and other revenues without donor restrictions	1,665,869	1,595,430
Expenses and losses:		
Program services -		
Fire fighting	1,791,910	1,675,753
Supporting services -		
Management and general	71,510	53,750
Fundraising	5,433	4,327
Total supporting services	76,943	58,077
Total expenses	1,868,853	1,733,830
Change in net assets without donor restrictions	(202,984)	(138,400)
Net assets without donor restrictions, beginning of year	2,600,929	2,739,329
Net assets without donor restrictions, end of year	\$ 2,397,945	\$ 2,600,929

The accompanying notes are an integral part of this statement.

BROUSSARD FIRE DEPARTMENT
Broussard, Louisiana

Statements of Functional Expenses
Years Ended June 30, 2022 and 2021

	2022	2021
Program services:		
Fire fighting -		
Auto expense	\$ 79,198	\$ 114,887
Dues and subscriptions	27,333	15,729
Insurance	148,403	137,530
Fire prevention	3,786	-
Fire dog	2,364	1,708
Office supplies	32,941	11,006
Group insurance	7,785	8,859
Salaries	787,571	734,119
Payroll taxes	61,063	57,755
Retirement	3,817	3,619
Repairs and maintenance	50,330	21,264
Rehab supplies	2,284	1,817
Station supplies	39,335	58,970
Medical supplies	2,006	-
Uniforms	36,084	59,513
Training	16,137	6,926
Volunteer paid per call	146,857	128,322
Utilities and communication	61,467	41,825
Meals	4,837	4,966
Depreciation	278,312	266,938
Total program services	1,791,910	1,675,753
Supporting services:		
Management and general -		
Advertising	2,118	1,371
Professional fees	58,871	43,467
Postal fees	1,627	1,531
Miscellaneous	8,894	7,381
Total management and general	71,510	53,750
Fundraising	5,433	4,327
Total supporting services	76,943	58,077
Total expenses	\$ 1,868,853	\$1,733,830

The accompanying notes are an integral part of this statement.

BROUSSARD FIRE DEPARTMENT
Broussard, Louisiana

Statements of Cash Flows
Years Ended June 30, 2022 and 2021

	2022	2021
Cash flows from operating activities:		
Decrease in net assets	\$ (202,984)	\$ (138,400)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	278,312	266,938
In-kind contributions - equipment - City of Broussard	(17,212)	(102,044)
Increase (decrease) in accounts payable	(17,726)	28,743
Decrease in deferred revenue	-	(62,058)
Net cash provided (used) by operating activities	40,390	(6,821)
 Cash flows from investing activities:		
Acquisition of property and equipment	(63,447)	(89,638)
Decrease in cash and cash equivalents	(23,057)	(96,459)
 Cash and cash equivalents, beginning of period	187,648	284,107
 Cash and cash equivalents, end of period	\$ 164,591	\$ 187,648
 Supplemental disclosure for the statement of cash flows:		
 Non-cash investing and financing activities:		
Equipment contributed from City of Broussard	\$ 17,212	\$ 102,044

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. 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.

D. Revenue and Expense Recognition

The Organization receives grants, contributions, contract services and other miscellaneous revenues. Grant revenues are recognized only to the extent that related expenses have been incurred. Contribution revenues are recognized when the donor makes a commitment to give to the Organization. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Contract service fees received from the City of Broussard and Lafayette Consolidated Government are earned annually representing the period over which the Organization satisfies the performance obligation. Other revenues are recognized when earned. Expenses are recognized in the period incurred in accordance with the accrual basis of accounting.

E. Functional Expenses

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

F. 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.

G. 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.

H. Advertising Costs

Advertising costs are expensed as incurred. Total advertising expense was \$2,118 and \$1,371 for the years ended June 30, 2022 and 2021, respectively.

BROUSSARD FIRE DEPARTMENT
Broussard, Louisiana

Notes to Financial Statements (Continued)

I. 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.

(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, 2022 and 2021 are \$164,591 and \$187,648, 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. The Organization did not have cash deposits (bank balances) that were in excess of federally insured limits as of June 30, 2022 and 2021.

(3) 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.

(4) Property and Equipment

The following is a summary of property and equipment at June 30, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Land	\$ 30,000	\$ 30,000
Buildings and improvements	688,531	676,425
Equipment and vehicles	<u>3,947,975</u>	<u>3,905,282</u>
Total property and equipment	4,666,506	4,611,707
Less: Accumulated depreciation	<u>(2,420,089)</u>	<u>(2,167,637)</u>
Property and equipment, net	<u>\$ 2,246,417</u>	<u>\$ 2,444,070</u>

Depreciation expense charged to operations amounted to \$278,312 and \$266,938 for the years ended June 30, 2022 and 2021, respectively.

BROUSSARD FIRE DEPARTMENT
Broussard, Louisiana

Notes to Financial Statements (Continued)

(5) 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, 2022 and 2021, equipment in the amount of \$17,212 and \$102,044, 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, 2022 and 2021 in the amount of \$1,515,907 and \$1,314,175, respectively, were paid by the City for the following:

	2022	2021
Program services:		
Salaries and related benefits	\$ 1,005,236	\$ 929,352
Auto expense	79,133	77,732
Insurance	148,403	137,530
Supplies, repairs, and maintenance	126,239	63,027
Utilities and communication	61,467	41,825
Total program services	1,420,478	1,249,466
Supporting services - management and general		
Professional fees	84,791	58,229
Miscellaneous	10,638	6,480
Total supporting services - management and general	95,429	64,709
Total in-kind contributions	\$ 1,515,907	\$ 1,314,175

(6) 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, 2022 and 2021, respectively, are as follows:

	2022	2021
Purpose:		
Salary	\$ 48,327	\$ 44,974
Cell phone reimbursements	600	600
Total	\$ 48,927	\$ 45,574

(7) Effect from Implementation of GASB 87 on the City of Broussard

The City of Broussard implemented GASB 87 which required certain changes to be made to the 2021 financial statements of the Broussard Fire Department's Statement of Activities and Statement of Functional Expenses. Total net assets and changes in net assets are unchanged.

BROUSSARD FIRE DEPARTMENT
Broussard, Louisiana

Notes to Financial Statements (Continued)

(8) Risk and Uncertainties

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.

(9) Subsequent Event Review

The Organization has evaluated subsequent events through December 12, 2022, the date which the financial statements were made available.

**INTERNAL CONTROL,
COMPLIANCE
AND
OTHER MATTERS**

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183 S. Beadle Rd. 11929 Bricksome Ave.
Lafayette, LA 70508 Baton Rouge, LA 70816
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Abbeville, LA 70510 Morgan City, LA 70380
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Ville Platte, LA 70586 Oberlin, LA 70655
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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*

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, 2022, 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 December 12, 2022.

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.

BROUSSARD FIRE DEPARTMENT
Broussard, Louisiana

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

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
December 12, 2022

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.

**BROUSSARD FIRE
DEPARTMENT**
Broussard, Louisiana

Agreed-Upon Procedures Report

Year Ended June 30, 2022

KOLDER, SLAVEN & COMPANY, LLC

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Ville Platte, LA 70586
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332 W. Sixth Ave.
Oberlin, LA 70655
Phone (337) 639-4737

WWW.KSRCPAS.COM

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

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

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2021 through June 30, 2022. Broussard Fire Department (Entity) management is responsible for those C/C areas identified in the SAUPs.

The Broussard Fire Department has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period July 1, 2021 through June 30, 2022. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

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, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.
- 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) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.
- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- k) **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.
- l) **Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

Board or Finance Committee

- 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) 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) Observed that the minutes referenced or included monthly budget-to-actual comparisons on the General Fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds.
 - c) Obtained the prior year audit report and observed the unassigned fund balance in the General Fund. If the General Fund had a negative ending unassigned fund balance in the prior year audit report, observed that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unrestricted fund balance in the General Fund.

Bank Reconciliations

3. We obtained a listing of the Entity's 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 4 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 (excluding electronic fund transfers)

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 obtained from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. We observed the bond or insurance policy for theft was enforced during the fiscal period.

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.* We obtained supporting documentation for each of the 10 deposits and:
 - a) Observed that receipts are sequentially pre-numbered.
 - b) Traced sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - c) Traced the deposit slip total to the actual deposit per the bank statement.
 - d) 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 and the cash is stored securely in a locked safe or drawer).
 - e) Traced the actual deposit per the bank statement to the general ledger.

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

8. We obtained a listing of locations that process payments for the fiscal period and management's representation that the listing was 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 we 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 we obtained management's representation that the population is complete. We randomly selected 5 disbursements for each location, we obtained supporting documentation for each transaction and:
 - a) We observed whether the disbursement matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the entity.
 - b) We observed that the disbursement documentation includes evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

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

11. We obtained from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. We obtained management's representation that the listing is complete.

12. Using the listing prepared by management, we randomly selected 5 cards (or all cards if less than 5) that were used during the fiscal period. We randomly selected one monthly statement or combined statement for each card (for a debit card, we randomly selected one monthly bank statement), we 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 (or electronically approved), 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, we randomly selected 10 transactions (or all transactions if less than 10) from each statement, and obtained supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, we observed that it 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). For missing receipts, we described the nature of the transaction and noted whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

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

14. We obtained 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. We randomly selected 5 reimbursements, we obtained the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:
 - a) If reimbursed using a per diem, we observed the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).
 - b) If reimbursed using actual costs, we observed that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
 - c) We observed 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) We observed that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Contracts

15. We obtained 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.* We obtained management's representation that the listing is complete. We randomly selected 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:
 - a) We observed 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) We observed 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), we observed that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, was approval documented).
- d) We randomly selected one payment from the fiscal period for each of the 5 contracts, we obtained the supporting invoice, agreed the invoice to the contract terms, and observed that the invoice and related payment agreed to the terms and conditions of the contract.

Payroll and Personnel

- 16. We obtained a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. We randomly selected 5 employees/officials, we obtained related paid salaries and personnel files, and we agreed paid salaries to authorized salaries/pay rates in the personnel files.
- 17. We randomly selected one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, we obtained attendance records and leave documentation for the pay period, and:
 - a) We observed 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) We observed that supervisors approved the attendance and leave of the selected employees/officials.
 - c) We observed that any leave accrued or taken during the pay period is reflected in the Entity's cumulative leave records.
 - d) We observed the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.
- 18. We obtained a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. We randomly selected two employees/officials, we obtained related documentation of the hours and pay rates used in management's termination payment calculations and the Entity's policy on termination payments. We agreed the hours to the employee or officials' cumulate leave records, agreed the pay rates to the employee/officials' authorized pay rates in the employee or officials' personnel files, and agreed the termination payment to entity policy.
- 19. We obtained management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

Ethics

- 20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, we obtained ethics documentation from management, and:
 - a) We observed that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
 - b) We observed whether the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

Debt Service

21. We obtained a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. We selected all debt instruments on the listing, obtained supporting documentation, and observed State Bond Commission approval was obtained for each debt instrument issued.
22. We obtained a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. We randomly selected one bond/note, inspected debt covenants, obtained supporting documentation for the reserve balance and payments, and agreed actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

Fraud Notice

23. Obtained a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing was complete. 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. 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.

Information Technology Disaster Recovery/Business Continuity

25. We performed the following procedures, verbally discussed the results with management, and reported "We performed the procedure and discussed the results with management."
 - a) We obtained and inspected the entity's most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observed that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), we observed evidence that backups are encrypted before being transported.
 - b) We obtained and inspected the entity's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observed evidence that the test/verification was successfully performed within the past 3 months.
 - c) We obtained a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. We randomly selected 5 computers and observed while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

Sexual Harassment

26. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, we obtained sexual harassment training documentation from management, and observed the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year.
27. We observed the Entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).

28. We obtained the Entity's annual sexual harassment report for the current fiscal period, observed that the report was dated on or before February 1, and observed it includes the applicable requirements of R.S. 42:344:

- a) Number and percentage of public servants in the agency who have completed the training requirements;
- b) Number of sexual harassment complaints received by the agency;
- c) Number of complaints which resulted in a finding that sexual harassment occurred;
- d) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
- e) Amount of time it took to resolve each complaint.

Exceptions:

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

Bank Reconciliations

1. Of the 3 bank reconciliations selected, 1 account did not include evidence of management researching reconciling items that have been outstanding for more than 12 months from the statement closing date.

Management's response: Management will ensure that reconciling items outstanding for more than 12 months from the statement closing date will be investigated during bank reconciliations.

We were engaged by the Entity to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent from the Entity and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement

This report is intended solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Lafayette, Louisiana
December 12, 2022