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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH
LAWS AND REGULATIONS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

The Board of Directors
Broussard Fire Department
Broussard, Louisiana

I have audited the individual fund financial statements of the Broussard Fire Department, Broussard, Louisiana, as of and for the year ended June 30, 1996, and have issued my report thereon dated October 30, 1996.

I conducted my audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to the Broussard Fire Department, is the responsibility of the Fire Department's Board of Directors. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, I performed tests of the Broussard Fire Department's compliance with certain provisions of laws, regulations, contracts, and grants. However, my objective was not to provide an opinion on overall compliance with such provisions. Accordingly, I do not express such an opinion.

The results of my tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

This report is intended for the information of management and the legislative auditor. This restriction is not intended to limit the distribution of this report, which is a matter of public record.



October 30, 1996

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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL
STRUCTURE RELATED MATTERS NOTED IN A FINANCIAL
STATEMENT AUDIT CONDUCTED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

The Board of Directors
Broussard Fire Department
Broussard, Louisiana

I have audited the individual fund financial statements of the Broussard Fire Department, Broussard, Louisiana, for the year ended June 30, 1996, and have issued my report thereon dated October 30, 1996.

I have conducted my audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

The Broussard Fire Department's Board of Directors is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

In planning and performing my audit of the financial statements of the Broussard Fire Department, for the year ended June 30, 1996, I obtained an understanding of the internal control structure. With respect to the internal control structure, I obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and I assessed control risk in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide an opinion on the internal control structure. Accordingly, I do not express such an opinion.

INTERNAL CONTROL AND COMPLIANCE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

- F. Vacation, Sick Leave and Pension Plan The Broussard Fire Department had no employees during the year ended June 30, 1996. Therefore, it did not have a policy on vacation and sick leave, nor did it have a pension plan.
- G. Encumbrances Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed by the Broussard Fire Department.
- H. Comparative Data Comparative data for the prior year have been presented in the accompanying financial statements in order to provide an understanding of changes in the Broussard Fire Department's financial position and operations.
- I. Dollar Signs All numeric data in the financial statements and accompanying notes are presented in U.S. dollars. Dollar signs have been omitted.

2. Deposits with Financial Institutions

Under state law, the Broussard Fire Department may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the union, or the laws of the United States. At June 30, 1996, the Fire Department had cash and interest-bearing deposits of \$41,732. Under state law, these deposits (or resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The deposit balance (bank balance) at June 30, 1996, of \$41,732 was secured in full by federal deposit insurance.

3. Board Members

The board members of the Broussard Fire Department receive no compensation.

4. Litigation

There is no litigation pending against the Broussard Fire Department at June 30, 1996.

5. Risk Management

The Broussard Fire Department is exposed to risks of loss in the areas of general and auto liability and property hazards. Those risks are handled by purchasing commercial insurance. There have been no significant reductions in insurance coverage during the current fiscal year. Settlements have not exceeded insurance coverage during the three year period ended June 30, 1996.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

C. Fixed Assets and Long-Term Liabilities As stipulated in the terms of the agreement to merge the Broussard Volunteer Fire Department and the Broussard Fire Department, all property acquired by the corporation is acquired for and in the name of the municipality, the Town of Broussard, Louisiana. Therefore, all assets are transferred to and included in the Town of Broussard, Louisiana General Fixed Asset Account Group and are not presented as a part of this report.

Long-term liabilities expected to be financed from the General Fund are accounted for in the General Long-Term Debt Account Group. There were no long-term liabilities at June 30, 1996 and 1995.

D. Basis of Accounting Basis of accounting refers to when revenues and expenditures are recognized and reported in the financial statements. Basis of accounting relates to the timing of measurements made, regardless of the measurement focus applied.

The General Fund is accounted for using the modified accrual basis of accounting. Its revenues are recognized when they become measurable and available as net current assets. Intergovernmental revenues (in the form of appropriations) are recorded when the Broussard Fire Department is entitled to the funds. All other revenues are recorded when received.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred, except that principal and interest on general long-term debt are recognized when due. Purchases of various operating supplies are regarded as expenditures at the time purchased.

E. Budgets and Budgetary Accounting The Broussard Fire Department follows these procedures in establishing the budgetary data reflected in the financial statements:

1. The Fire Chief prepares a proposed budget and submits it to the Board of Directors prior to the beginning of each fiscal year.
2. A summary of the proposed budget is made available for public inspection.
3. The proposed budget is legally adopted prior to the commencement of the fiscal year to which it applies.
4. All budgetary appropriations lapse at the end of each fiscal year.
5. The budget is adopted on a basis consistent with generally accepted accounting principals (GAAP). Budgeted amounts included in the accompanying financial statements are the final amended amounts for the fiscal year.

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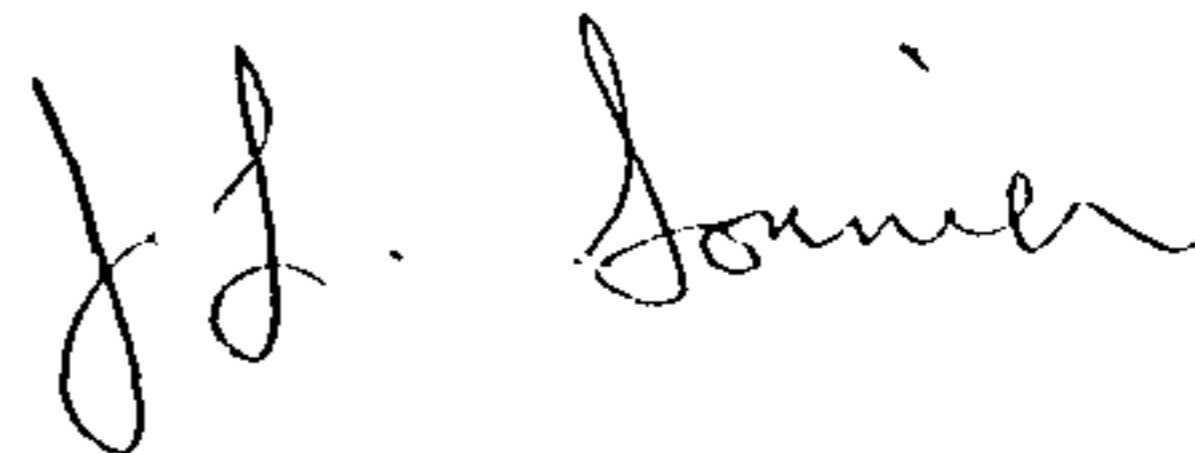
**INDEPENDENT AUDITORS' REPORT
ON THE FINANCIAL STATEMENTS**

The Board of Directors
Broussard Fire Department
Broussard, Louisiana

I have audited the accompanying individual fund financial statements of the Broussard Fire Department, Broussard, Louisiana, as of and for the year ended June 30, 1996 and 1995, as listed in the table of contents. These financial statements are the responsibility of the Broussard Fire Department's Board of Directors. My responsibility is to express an opinion on these financial statements based upon my audit.

I conducted my audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the individual fund financial statements referred to above present fairly the financial position of the Broussard Fire Department at June 30, 1996 and 1995, and the results of its operations for the years then ended in conformity with generally accepted accounting principles.



October 30, 1996

**BROUSSARD FIRE DEPARTMENT
BROUSSARD, LOUISIANA**

**GENERAL FUND
COMPARATIVE BALANCE SHEET
JUNE 30, 1996 AND 1995**

	1996	1995
ASSETS AND OTHER DEBITS		
Cash	14,398	15,461
Interest-bearing deposits	27,334	21,898
Accrued interest receivable	153	161
Total assets & other debits	41,885	37,520
LIABILITIES AND FUND EQUITY		
Liabilities:		
Accounts payable	-0-	584
Fund Equity:		
Fund balance, unreserved and undesignated	41,885	36,936
Total liabilities and fund equity	41,885	37,520

See Notes to Financial Statements.

BROUSSARD FIRE DEPARTMENT
Broussard, Louisiana
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL

For the Year Ended June 30, 1996
With Comparative Actual Amounts for Year Ended June 30, 1995

	1996			1995
	Budget	Actual	Variance- Favorable (Unfavorable)	Actual
Revenues:				
Intergovernmental				
Annual parish grant	31,222	31,222	-	28,382
Town of Broussard	10,000	-	(10,000)	-
Miscellaneous	8,200	5,429	(2,771)	1,952
Total Revenues	49,422	36,651	(12,771)	30,334
Expenditures-current:				
Public safety-				
Meals	1,300	445	855	607
Repairs and maintenance	7,500	16,380	(8,880)	6,438
Supplies	2,800	2,863	(63)	6,752
Uniforms	4,000	1,189	2,811	2,375
Travel and training	4,000	1,312	2,688	2,979
Dues	280	127	153	149
Miscellaneous	5,000	986	4,014	4,160
Expenditures-capital outlay:				
Equipment	24,542	8,400	16,142	2,149
Total Expenditures	49,422	31,702	17,720	25,609
Excess (deficiency) of revenues over expenditures	-0-	4,949	4,949	4,725
Fund balance-beginning	21,531	36,936	15,405	32,211
Fund balance-ending	21,531	41,885	20,354	36,936

See Notes to Financial Statements.

**BROUSSARD FIRE DEPARTMENT
BROUSSARD, LOUISIANA
NOTES TO FINANCIAL STATEMENTS**

1. Summary of Significant Accounting Policies

The accounting and reporting policies of the Broussard Fire Department conform to generally accepted accounting principles as applicable to governments. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 24:517 and to the industry audit guide, *Audits of State and Local Governmental Units*.

The following is a summary of certain significant accounting policies:

A. Financial Reporting Entity The Broussard Fire Department is a non-profit corporation which was created by a resolution dated January 25, 1979, approving an agreement to merge the Broussard Volunteer Fire Department with the Broussard Fire Department. The purpose of the Broussard Fire Department (the surviving corporation) is to impede, prevent, eradicate and extinguish all types of destructive fires within or near the Town of Broussard, Louisiana.

The financial reporting entity consists of (a) the primary government (fire department), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the Broussard Fire Department for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the fire department to impose its will on the organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the fire department
2. Organizations for which the fire department does not appoint a voting majority but are fiscally dependent on it.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

A. Financial Reporting Entity (Continued)

3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature and significance of the relationship.

The following circumstances were considered in determining that the Broussard Fire Department is not a component unit of the Lafayette Parish Police Jury or the Town of Broussard, Louisiana.

- a. A majority of the fire department's board is not appointed by the police jury or the town.
- b. The fire department's budget is not approved by the police jury or the town.
- c. Neither the police jury or the town are responsible for liabilities of the fire department.
- d. The nature and significance of the fire department's relationship with the police jury and the town is not such that exclusion of the fire department's financial statements would render the financial statements of the police jury or the town incomplete or misleading.

Therefore, the Broussard Fire Department was determined to be a separate special purpose government. Also, no organizations have been determined to be component units of the Broussard Fire Department.

- B. Fund Accounting The accounts of the Broussard Fire Department are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures.

The General Fund is the general operating fund of the fire department. It is used to account for all financial resources except those required to be accounted for in another fund.

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BROUSSARD FIRE DEPARTMENT

Broussard, Louisiana

FINANCIAL REPORT

June 30, 1996

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

Release Date **DEC 18 1996**

J. L. SONNIER
Certified Public Accountant
Lafayette, Louisiana