

**AVONDALE  
VOLUNTEER FIRE COMPANY, INC. (AVF)  
d/b/a  
FIRE PROTECTION DISTRICT NO. 7  
OF JEFFERSON PARISH - AVONDALE DIVISION**

**ANNUAL FINANCIAL REPORT  
Year Ended December 31, 2020**

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## **FINANCIAL SECTION**

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**INDEPENDENT AUDITOR'S REPORT**

To the President and Board of  
Avondale Volunteer Fire Company, Inc. (AVF)  
Avondale, Louisiana

***Report on the Financial Statements***

I have audited the accompanying financial statements of the governmental activities and each major fund (i.e., the General Fund) of Avondale Volunteer Fire Company, Inc. ("AVF"), a non-profit entity d/b/a Fire Protection District No. 7 of Jefferson Parish - Avondale Division, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise AVF's basic financial statements as listed in the table of contents.

***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 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***

My responsibility is to express opinions on these basic financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States 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 I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidenced 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, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

***Opinions***

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of AVF as of December 31, 2020 and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Other Matters***

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 3 through 11 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

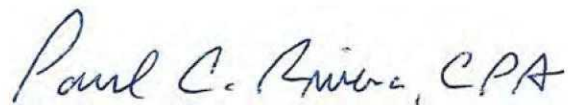
### *Other Information*

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise AVF's financial statements. The individual fund statements, schedules and supplemental information are presented for purposes of additional analysis and are not a required part of the financial statements.

These individual fund statements, schedules and supplementary information are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic 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 basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the individual fund, schedules, and supplementary information are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, I have also issued a report dated April 15, 2020, on my consideration of AVF's internal control over financial reporting and on my 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 my 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 AVF's internal control over financial reporting and compliance.



March 9, 2021



**AVONDALE VOLUNTEER FIRE COMPANY, INC.**  
**500 SOUTH JAMIE BLVD.**  
**AVONDALE, LA 70094**

**MANAGEMENT’S DISCUSSION AND ANALYSIS**

As management of Avondale Volunteer Fire Company, Inc. (“AVF”), a non-profit entity d/b/a Fire Protection District No. 7 of Jefferson Parish – Avondale Division, we offer readers of AVF’S financial statements this narrative overview and analysis of the financial activities of AVF for the fiscal year ended December 31, 2020.

We encourage readers to consider the information presented here in conjunction with the financial statements, which begin on page 14.

***FINANCIAL HIGHLIGHTS***

- The assets of AVF exceeded its liabilities at the close of the most recent fiscal year by \$574,644 (*net position*). Of this amount, \$94,686 or 16.5 percent is invested in capital assets, such as buildings and equipment. The remaining balance of \$479,958 (*unrestricted net position*) or 83.5 percent may be used to meet the government’s ongoing obligations to citizens and creditors.
- AVF’S total net position increased by \$43,935 or 8.3 percent during the current year because revenues exceeded the expenses by that amount. During 2020, operating grants were up \$216,074, mainly due to new funding from CARES Act – Coronavirus Relief Funds. Capital grants were down by \$(100,000) due to a non-recurring drawdown of capital funds from the Parish. AVF also received \$8,665 from a local cooperative agreement with Calcasieu Parish for services rendered.
- As of the close of the current fiscal year, AVF’S governmental fund (the General Fund) reported ending fund balance of \$479,958, an increase of \$64,151 or 15.4 percent in comparison with the prior year. Approximately \$279,746 or 58.3 percent of this total amount is available for spending at the government’s discretion (*unassigned fund balance*). The balance of \$200,212 is *assigned* for the purpose of future equipment purchases.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$276,746 or 28.0 percent of total general fund expenditures. This compares to 19.6 percent last year. Total fund balance was \$479,958 or 48.1 percent of total general fund expenditures. This compares to 42.7 percent last year.
- AVF’S had no outstanding long-term debt at December 31, 2020.
- AVF continues to monitor the effect of the COVID-19 pandemic on the local economy and its potential impact on AVF’s current and future revenues and expenditures.

## ***OVERVIEW OF THE FINANCIAL STATEMENTS***

This discussion and analysis are intended to serve as an introduction to AVF'S basic financial statements. AVF'S basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Government-wide financial statements.** The "government-wide financial statements" are designed to provide readers with a broad overview of AVF'S finances, in a manner similar to a private-sector business.

The "Statement of Net Position" presents information on all of AVF'S assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of AVF is improving or deteriorating.

The "Statement of Activities" presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements are designed to distinguish functions of AVF that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). It should be noted that AVF only has governmental activities.

The government-wide financial statements include only the financial activities of AVF, which include the activity of all AVF cash and savings accounts (both public and private).

The government-wide financial statements can be found on pages 14 and 15 of this report.

**Fund financial statements.** A "fund" is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. AVF, because it is a "quasi-public" entity, uses fund accounting like state and local governments to ensure and demonstrate compliance with finance-related legal requirements.

AVF'S funds can be classified into three categories: governmental funds, proprietary funds, and fiduciary funds. As discussed below, AVF only presents governmental funds.

**Governmental funds.** “Governmental funds” are used to account for essentially the same functions reported as “governmental activities” in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term *inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government’s near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for “governmental funds” with similar information presented for “governmental activities” in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government’s near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between “governmental fund” and “governmental activities”.

AVF maintains only one fund (the General Fund). Information is presented in the governmental fund balance sheet and in the governmental statement of revenues, expenditures, and changes in fund balances for the General fund.

AVF is a “quasi-public” entity and is not required to adopt an annual budget. Thus, a budgetary comparison statement is not shown.

The basic governmental fund financial statements can be found on pages 14 to 19 of this report.

**Notes to the Financial Statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 21 to 30 of this report.

**Other information.** Individual fund statements and schedules, which show additional detailed financial information on the General Fund, are found on pages 32 and 33. The state-mandated Schedule of Compensation and Other Payments to Agency Head or Chief Executive Officer is found on page 36.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, net position may serve over time as a useful indicator of a government’s financial position. In the case of AVF, assets exceeded liabilities by \$574,644 at December 31, 2020.

A large portion of AVF’s net position (16.5 percent) reflects its investment in capital assets (e.g., land, buildings, furniture and fixtures, heavy equipment); less any related debt used to acquire those assets that is still outstanding. AVF used these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although AVF’S investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other resources, since the capital assets themselves cannot be used to liquidate these liabilities.

**AVONDALE VOLUNTEER FIRE COMPANY, INC.  
STATEMENTS OF NET POSITION**

	Governmental Activities		Governmental Activities	
	<u>2020</u>		<u>2019</u>	
Current and other assets	\$ 493,394		\$ 426,249	
Capital assets	94,686		114,902	
Total Assets	<u>588,080</u>		<u>541,151</u>	
Long-term liabilities outstanding	-		-	
Other liabilities	13,436		10,442	
Total Liabilities	<u>13,436</u>		<u>10,442</u>	
Net Position:				
Invested in capital assets, net of related debt	94,686	16.5%	114,902	21.7%
Restricted	-	0.0%	-	0.0%
Unrestricted	479,958	83.5%	415,807	78.4%
Total Net Position	<u>\$ 574,644</u>		<u>\$ 530,709</u>	

The balance of *unrestricted net position* (\$479,958 or 83.5 percent) may be used to meet the government’s ongoing obligations to citizens and creditors.

At December 31, 2020, AVF is able to report positive balances in all three categories of net position.

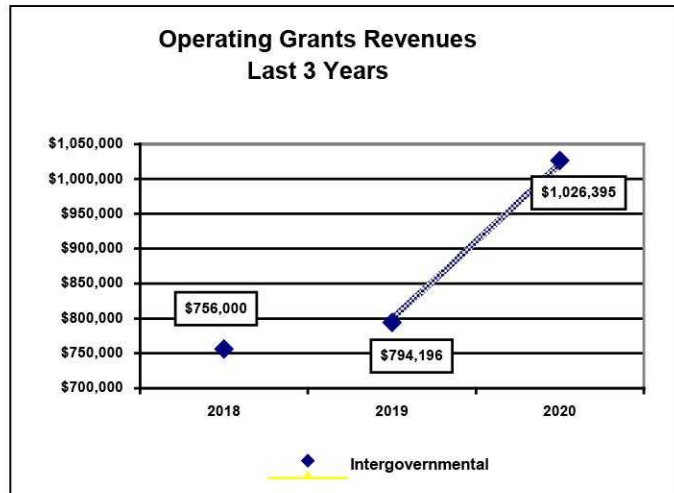
AVF’S net position increased by \$43,935 or 8.3 percent during the current fiscal year.

**Governmental Activities.** Governmental activities increased AVF'S net position by \$43,935 or 8.3 percent. Key elements of this increase are as follows:

**AVONDALE VOLUNTEER FIRE COMPANY, INC.  
STATEMENTS OF ACTIVITIES**

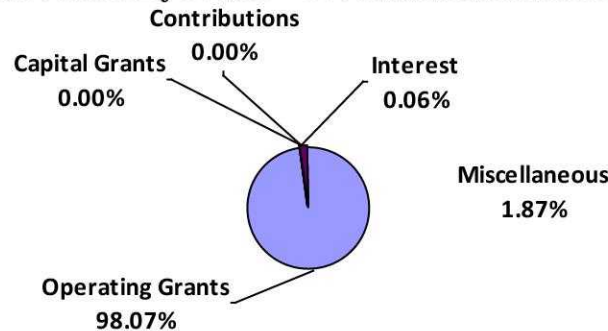
	Governmental Activities <u>2020</u>		Governmental Activities <u>2019</u>	
Revenues:				
Program revenues:				
Charges for services	\$ -	0.0%	\$ -	0.0%
Operating grants and contributions	1,026,395	96.6%	810,321	84.4%
Capital grants and contributions	-	0.0%	100,000	10.4%
General revenues:				
Unrestricted interest	585	0.1%	577	0.1%
Unrestricted gifts and donations	-	0.0%	5,000	0.5%
Gain on sale of equipment	-	0.0%	-	0.0%
Miscellaneous	35,333	3.3%	44,479	4.6%
Total revenues	<u>1,062,313</u>	<u>100.0%</u>	<u>960,377</u>	<u>90.4%</u>
Expenses:				
Public Safety	1,018,378	100.0%	898,735	100.0%
Total expenses	<u>1,018,378</u>	<u>100.0%</u>	<u>898,735</u>	<u>100.0%</u>
Special Item - Transfer of assets to the Parish	<u>-</u>		<u>-</u>	
Increase in net position	43,935		61,642	
Net position - Beginning of year	530,709		469,067	
Net position - end of year	<u>\$ 574,644</u>		<u>\$ 530,709</u>	

➤ In the current year, Operating Grants totaled \$1,026,395 and consisted of funds received from the Federal Government, the State of Louisiana, the Parish of Jefferson, and Calcasieu Parish. The Federal Government provided CARES Act – Coronavirus Relief Funds to AVF to reimburse it for COVID-19 related costs in the amount of \$207,380. The State provided \$16,154 to AVF for fire insurance rebates. The Parish of Jefferson levied an ad valorem tax in the District and remitted \$794,196 to AVF. Under the agreement, the Parish remits a fixed monthly amount to AVF depending on the estimated tax collections. This allocation was the same as last year. The number of mills levied by the Parish was 23.98 out of the maximum available of 25.00 mills, the same as last year. Calcasieu Parish provided \$8,665 under a local cooperative agreement. Most of the increase in this category related to the CARES Act funds.



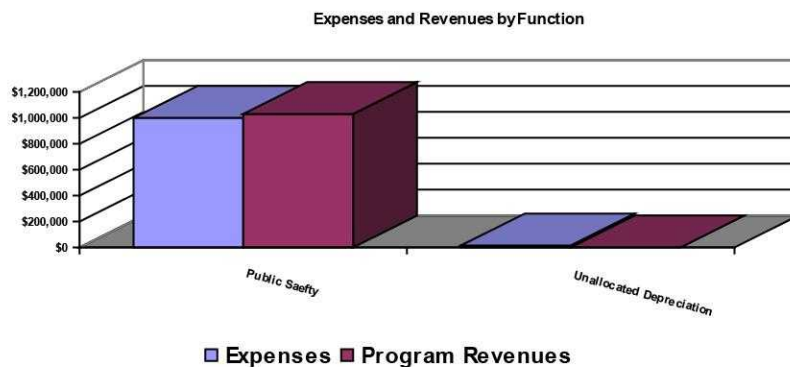
- Miscellaneous income of \$35,333 was made up of various items and was \$(9,146) less than last year. This included \$19,248 in refunds from LWCC (dividends on the workman's compensation policy), \$15,735 in insurance claims, \$150 from the State for holding elections at the firehouse, \$151 in settlements and \$25 for sales of fire reports. The LWCC dividend was \$(23,603) less than last year.
- A breakdown of the revenues received by AVF'S governmental activities is as follows:

### Revenues By Source - Governmental Activities



Expenses totaled \$1,018,378, including current year depreciation of \$20,216. This is a increase of \$119,643 over the prior year. As a fire district, the only function AVF provides is the public safety function. The main changes were seen in personnel and related costs (up \$89,163), general and administrative costs (up \$533), firefighting costs (up \$17,769), station expenses (up \$2,700), and vehicle expenses (up \$15,827). Salaries were up mostly to an increase in salaries (mainly due to raises given at the beginning of the year, the overtime caused by the COVID-19 pandemic, and the costs associated with buying back some vacation time). Group health costs increased \$9,024 as premiums went up and retirement costs increased \$1,768 as contributions rose. Workmen's compensation costs was up \$12,630 as premiums increased. General and administrative costs were basically the same as last year. Firefighting costs were up mainly due to an increase in firefighting apparel and firefighting supplies (due to the purchase of some bunker gear). Station expenses were up due to an increase in station supplies. Vehicle expenses were up mainly due to an increase in vehicle repairs and maintenance. Depreciation was \$(4,906) less than last year.

Operating and capital grants totaling \$1,026,395 offset these costs. This left a net revenue (cost) to citizens of AVF of \$8,017 prior to accounting for general revenues. A graph comparing the expenses with the program revenue generated is presented below.



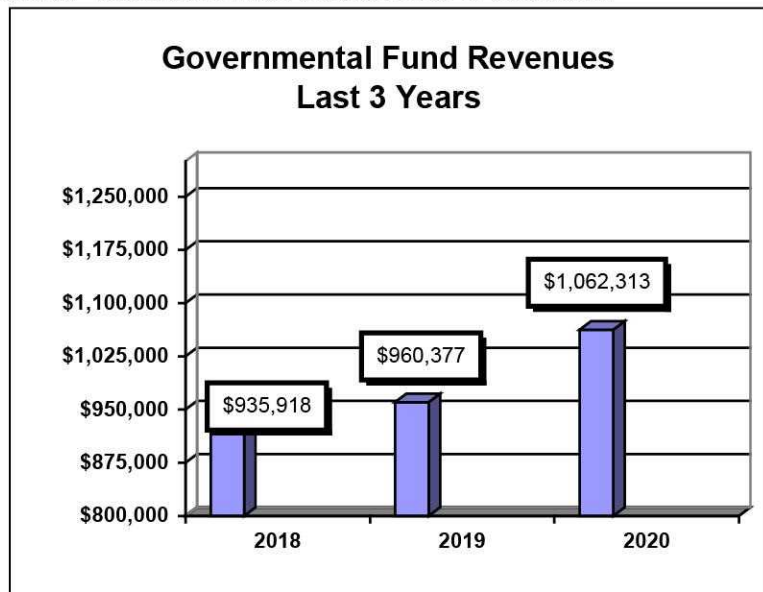
## FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

As noted earlier, AVF uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental Funds.** The focus of AVF'S "governmental funds" is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing AVF'S financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of December 31, 2020, AVF'S governmental fund (i.e., the General Fund) reported ending fund balance of \$479,958, an increase of \$64,151 or 15.4 percent in comparison with the prior year. Approximately \$279,746 or 58.3 percent of this total constitutes *unassigned fund balance*, which is available for spending at the government's discretion. The remaining fund balance of \$200,212 is shown as *assigned* fund balance. This means there is some form of restriction (formal or informal) placed on these funds and that they are not necessarily available for new spending because they have already been assigned to a particular purpose. In this case, the money is being set aside for future capital outlay needs (vehicles and equipment).

As noted above, the governmental funds include the general operating funds of AVF (i.e., the General Fund). Overall, as the graph shows, Governmental Fund revenues increased in 2020.



The increase was primarily due to an increase of \$116,074 in intergovernmental revenues (a net of the decrease in capital millage money received from the Parish of \$100,000) and the increase of \$207,380 in CARES Act money), a decrease of \$(9,146) in miscellaneous revenues (mainly due to a decrease in workers compensation dividends), and a decrease of \$(5,000) in contributions. Because of the small size of the operating fund, operating and capital grants can create large swings in revenues when recognized.

As a measure of the General fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 28.0 percent of total general fund expenditures, as compared to 19.6 percent last year. Total fund balance represents 48.1 percent of total general fund expenditures, as compared to 42.7 percent last year.

The fund balance of AVF'S General fund increased by \$64,151 during the current fiscal year. Key factors in this change are as follows:

- The General Fund's revenues totaled \$1,062,313, while expenditures totaled \$998,162.
- Revenues increased by \$101,936 over the prior year, mainly because of:
  - Intergovernmental revenues totaled \$1,026,395, which is \$116,074 more than last year. AVF received \$207,380 in CARES Act – Coronavirus Relief Funds to reimburse it for COVID-19 related costs (this did not occur last year). The millage allocation for operations from Jefferson Parish (i.e., property taxes) totaled \$794,196, which is the same as last year. The Parish also provided \$100,000 for capital purposes (new firefighting equipment) in the prior year which it did not provide in the current year. Calcasieu Parish also provided \$8,665 in funds through a local cooperative agreement. Finally, the State Fire Insurance Rebate totaled \$16,154 (up \$29).
  - Contributions decreased \$(5,000) due to corporate donations not recurring.
  - Miscellaneous income totaled \$35,333 (down \$(9,146)), as the dividend from the workers compensation plan of \$19,248 was recognized in 2020, along with insurance proceeds of \$15,735, reimbursements from the State for holding elections at the firehouse totaling \$150, settlements of \$151 and sales of fire reports totaled \$25. The workers compensation dividend was \$(23,603) less than last year.
- Expenditures totaled \$998,162, an increase of \$24,777 or 2.5 percent compared to last year.
  - Salaries and related costs increased \$89,163. Salaries were up slightly due to increases in salaries (raises given at the beginning of the year, overtime related to the pandemic, and costs associated with a vacation leave buy-back). Retirement was up due to contribution percentages being based on an increased payroll. Group health costs were up due to premium increases. Workers compensation an increase in premiums.
  - Firefighting costs and supplies were up \$17,769, primarily due to an increase in apparel (new bunker gear purchased).
  - Station expenses were up \$2,700, due to increases in station repairs and utilities.
  - Vehicle expenses were up \$15,827 due to increases in vehicle repairs and maintenance.
  - Capital outlay was down \$(101,215), due to the prior year purchase of new firefighting equipment with a Parish grant that was awarded not recurring.

### ***CAPITAL ASSET AND DEBT ADMINISTRATION***

**Capital Assets.** AVF'S investment in capital assets for its governmental activities as of December 31, 2020 amounts to \$94,686 (net of accumulated depreciation and related debt). This investment in capital assets includes land, buildings, furniture and fixtures, heavy equipment, and vehicles. AVF'S investment in capital assets decreased by \$(20,216) or 17.6 percent this year. Major capital asset events during the current fiscal year included the following:

- No additions were made to capital assets in the current year.
- \$20,216 was recognized as depreciation expense.



**AVONDALE VOLUNTEER FIRE COMPANY, INC.**  
**CAPITAL ASSETS**  
(NET OF DEPRECIATION)

	<b>Governmental</b>		<b>Governmental</b>	
	<b>Activities</b>		<b>Activities</b>	
	<b>2020</b>		<b>2019</b>	
Land	\$	8,834	\$	8,834
Buildings		-		-
Furniture and fixtures		1,607		4,897
Vehicles and firefighting equipment		84,245		101,171
<b>Total</b>	<b>\$</b>	<b>94,686</b>	<b>\$</b>	<b>114,902</b>

Additional information on AVF’S capital assets can be found in Note D.2 on page 28.

**Long-term Debt.** At the end of 2020, AVF had total outstanding debt of \$-0-.

***ECONOMIC FACTORS AND NEXT YEAR’S RATES***

- The unemployment rate for the Parish of Jefferson at December 31, 2020 is 7.60 percent, which is 3.50 percent higher than it was a year ago. The unemployment rate in the New Orleans MSA area is typically a little higher than both the state and federal levels due to a heavier reliance on the oil industry, seafood industry and tourism. The COVID-19 pandemic has also played havoc on the local economy, with many businesses being closed or limited in their capacity to operate.
- Inflationary trends in the region compare favorably to national indices.
- The ad valorem millage rate levied for the 2020 (next year’s) tax roll was 25.00 mills (25.00 operating and 0.00 bond). The millage was renewed in 2020 for a period of 10 years and was levied at the maximum amount allowed. Only the operating money is allocated to the volunteer fire districts. The bond money (if any) remains with the Parish. Budget figures presented by the Parish show the monthly allocation of property taxes stayed the same as last year, which were \$66,183 due to the inclusion of the new payment-in-lieu-of-taxes (PILOT) program implemented with a newly opened ammonia plant within the district boundaries. At this time, the COVID-19 pandemic is not expected to materially affect the future tax levies.

***REQUESTS FOR INFORMATION***

This financial report is designed to provide a general overview of AVF’S finances for all those with an interest in the government’s finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Avondale Volunteer Fire Company, Inc., President, 500 S. Jamie Blvd. Avondale, LA 70094.

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## **BASIC FINANCIAL STATEMENTS**

**AVONDALE VOLUNTEER FIRE COMPANY, INC. (AVF)  
d/b/a  
FIRE PROTECTION DISTRICT NO. 7 OF JEFFERSON PARISH  
AVONDALE DIVISION**

**STATEMENT OF NET POSITION  
DECEMBER 31, 2020**

	<u>GOVERNMENTAL ACTIVITIES</u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 493,394
Investments	-
Receivables (net of allowance for uncollectibles)	-
Other assets	-
Capital assets (net of accumulated depreciation)	
Land	8,834
Buildings	-
Furniture and fixtures	1,607
Vehicles and firefighting equipment	84,245
<b>TOTAL ASSETS</b>	<u>588,080</u>
<b>LIABILITIES</b>	
Accounts payable and other current liabilities	11,035
Accrued payroll and deductions	2,401
Noncurrent liabilities:	
Due within one year	-
Due in more than one year	-
<b>TOTAL LIABILITIES</b>	<u>13,436</u>
<b>NET POSITION</b>	
Net investment in capital assets	94,686
Restricted for:	
Debt service	-
Other	-
Unrestricted	479,958
<b>TOTAL NET POSITION</b>	<u>\$ 574,644</u>

The accompanying notes are an integral part of this statement.  
-14-

AVONDALE VOLUNTEER FIRE COMPANY, INC. (AVF)  
d/b/a  
FIRE PROTECTION DISTRICT NO. 7 OF JEFFERSON PARISH  
AVONDALE DIVISION

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2020

FUNCTION	EXPENSES	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION PRIMARY GOVERNMENT GOVERNMENTAL ACTIVITIES
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	
Primary Government					
Governmental Activities:					
Public Safety	\$ 998,162	\$ -	\$ 1,026,395	\$ -	\$ 28,233
Unallocated depreciation expense	20,216	-	-	-	(20,216)
Interest on long-term debt	-	-	-	-	-
Total governmental activities	<u>\$ 1,018,378</u>	<u>\$ -</u>	<u>\$ 1,026,395</u>	<u>\$ -</u>	<u>8,017</u>
<b>GENERAL REVENUES:</b>					
					585
					-
					-
					35,333
<b>TOTAL GENERAL REVENUE AND TRANSFERS</b>					<u>35,918</u>
<b>CHANGE IN NET POSITION</b>					43,935
<b>SPECIAL ITEM</b>					
					-
<b>NET POSITION</b>					
					530,709
					<u>\$ 574,644</u>

The accompanying notes are an integral part of this statement.

AVONDALE VOLUNTEER FIRE COMPANY, INC. (AVF)  
d/b/a  
**FIRE PROTECTION DISTRICT NO. 7 OF JEFFERSON PARISH**  
**AVONDALE DIVISION**

**GOVERNMENTAL FUNDS**  
**BALANCE SHEET**  
**DECEMBER 31, 2020**

	<u>General Fund</u>
<b>ASSETS</b>	
Cash and Certificates of Deposit	\$ 493,394
Accounts Receivable	-
Prepaid items	-
<b>TOTAL ASSETS</b>	<u>\$ 493,394</u>
 <b>LIABILITIES AND FUND BALANCE</b>	
Liabilities:	
Accounts payable	\$ 11,035
Salaries and related taxes payable	2,401
Total Liabilities	<u>13,436</u>
Fund Balance:	
Nonspendable	-
Restricted	-
Committed	-
Assigned	200,212
Unassigned	279,746
Total Fund Balance	<u>479,958</u>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<u>\$ 493,394</u>

The accompanying notes are an integral part of this statement.

AVONDALE VOLUNTEER FIRE COMPANY, INC. (AVF)  
d/b/a  
FIRE PROTECTION DISTRICT NO. 7 OF JEFFERSON PARISH  
AVONDALE DIVISION

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION  
FOR THE YEAR ENDED DECEMBER 31, 2020

Amounts reported for governmental activities in the Statement of Net Position (page 14) are different because:

Total Fund Balances at December 31, 2020 - Governmental Funds (page 16)	\$	479,958
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets is \$526,700 and the accumulated depreciation is \$432,014.		94,686
Total Net Position of Governmental Activities at December 31, 2020 (page 14)	\$	<u>574,644</u>

The accompanying notes are an integral part of this statement.

AVONDALE VOLUNTEER FIRE COMPANY, INC. (AVF)  
d/b/a  
FIRE PROTECTION DISTRICT NO. 7 OF JEFFERSON PARISH  
AVONDALE DIVISION

GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE  
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>General Fund</u>
<b>REVENUES</b>	
Intergovernmental	\$ 1,026,395
Service charges and reimbursements	-
Donations and gifts	-
Interest	585
Miscellaneous	35,333
<b>TOTAL REVENUES</b>	<u>1,062,313</u>
<b>EXPENDITURES</b>	
Current	
Public Safety	
Personnel and related costs	864,717
General and administrative costs	47,765
Firefighting costs and supplies	25,603
Station Expenses	27,644
Vehicle Expenses	29,486
Capital outlay	2,947
Debt Service	
Principal	-
Interest	-
<b>TOTAL EXPENDITURES</b>	<u>998,162</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	64,151
<b>OTHER FINANCING SOURCES</b>	
Capital lease	-
Loan proceeds	-
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES</b>	<u>64,151</u>
<b>FUND BALANCE</b>	
Beginning of year	415,807
End of year	<u>\$ 479,958</u>



**AVONDALE VOLUNTEER FIRE COMPANY, INC. (AVF)**  
d/b/a  
**FIRE PROTECTION DISTRICT NO. 7 OF JEFFERSON PARISH**  
**AVONDALE DIVISION**

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO  
THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2020**

Amounts reported for governmental activities in the Statement of Activities (page 15) are different because:

Net change in fund balances - total governmental funds (page 18)	\$	64,151
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.		(20,216)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase net assets.		-
Change in net position of governmental activities (page 15)	<u>\$</u>	<u>43,935</u>

The accompanying notes are an integral part of this statement.

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**AVONDALE VOLUNTEER FIRE COMPANY, INC. (AVF)**  
**d/b/a**  
**FIRE PROTECTION DISTRICT NO. 7 OF JEFFERSON PARISH -**  
**AVONDALE DIVISION**

**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2020**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the Avondale Volunteer Fire Company, Inc. ("AVF"), a non-profit entity d/b/a Fire Protection District No. 7 of Jefferson Parish - Avondale Division, have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units under the legal premise that AVF is a "quasi-public" corporation. Quasi-public corporations are non-profit or private companies who are created to perform a public service and which receive the majority of their funding from public funds (i.e., taxes, grants, etc.). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of AVF's accounting policies are described below.

1. Reporting Entity

GASB Codification Section 2100 establishes criteria for determining the governmental reporting entity and its component units. Component units are defined as legally separate organizations for which the elected officials of a primary government are financially accountable. The criteria used in determining whether financial accountability exists include the appointment of a voting majority of an organization's governing board, the ability of the primary government to impose its will on that organization or whether there is a potential for the organization to provide specific financial benefits or burdens to the primary government. Fiscal dependency may also play a part in determining financial accountability. In addition, a component unit can be another organization for which the nature and significance of its relationship with a primary government is such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Fire District No.7 of Jefferson Parish (the "District") was created by Parish Ordinance to provide fire protection services to the citizens of the District and the surrounding area. The District is serviced by five separate fire companies/divisions, each receiving a pro-rata share of the District's revenues. The District is currently funded by a 25 mill ad valorem tax levied by the District via the Parish Council and is governed by the same Council that governs the Parish. As such, the District is reported as a component unit within the Parish's financial statements.

Under a cooperative endeavor agreement, the daily operations of the District's Avondale Division are contracted out to Avondale Volunteer Fire Company, Inc. ("AVF"). AVF was incorporated as a non-profit service corporation under Section 501(c) (3) of the Internal Revenue Code. AVF has been classified as an entity that is not a private foundation within the meaning of Section 509(a) and qualifies for deductible contributions as provide in Section 170(b) (1) (A) (vi). AVF is governed by a President and a Board of Directors which are elected by the membership. The accompanying statements report transactions related only to those of AVF.

**AVONDALE VOLUNTEER FIRE COMPANY, INC. (AVF)**  
**d/b/a**  
**FIRE PROTECTION DISTRICT NO. 7 OF JEFFERSON PARISH -**  
**AVONDALE DIVISION**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**December 31, 2020**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

2. Government-wide and Fund Financial Statements

Government-wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of AVF. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Because of the nature of AVF's operations, AVF reports only governmental activities.

The statement of activities demonstrates the degree to which the direct expense of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Fund Financial Statements

Funds are used by AVF to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. The funds of AVF are classified into the "governmental" category. The category, in turn, is divided into separate "fund types".

Governmental funds are used to account for all or most of a government's general activities, including the collection and disbursement of earmarked monies (special revenue funds), the acquisition or construction of general fixed assets (capital project funds), and the servicing of general long-term debt (debt service funds). The General Fund is used to account for all financial activities of the general government not accounted for in some other fund.

**AVONDALE VOLUNTEER FIRE COMPANY, INC. (AVF)**  
**d/b/a**  
**FIRE PROTECTION DISTRICT NO. 7 OF JEFFERSON PARISH -**  
**AVONDALE DIVISION**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**December 31, 2020**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

AVF reports the following major governmental funds:

The *General Fund* is the general operating fund of AVF. It is used to account for all financial resources and expenditures. It includes the activity of the "private" account, as well as the "public funds" account(s).

3. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Governmental fund financial statements are reported using a *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Intergovernmental revenues received from the Parish in connection with the cooperative endeavor agreement are recognized in the year to be benefitted. All other service charges and intergovernmental revenues are recognized as received. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recognized as expenditures only when payment is due.

3. Budgets

As a quasi-public corporation, AVF is not required to adopt a budget; therefore, a budget to actual statement is not presented in the accompanying financial statements. An informal budget is adopted for internal purposes for the General Fund.

4. Assets, Liabilities, and Net Position or Fund Equity

A. *Cash and Investments*

For reporting purposes, cash and cash equivalents includes amounts in demand deposits, time deposits, and certificates of deposit.

Investments, if any, are stated at fair value, except for investments in government securities with maturities less than 1 year, which are stated at cost or amortized cost.

**AVONDALE VOLUNTEER FIRE COMPANY, INC. (AVF)**  
**d/b/a**  
**FIRE PROTECTION DISTRICT NO. 7 OF JEFFERSON PARISH -**  
**AVONDALE DIVISION**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**December 31, 2020**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

*B. Inventories*

The cost of materials and supplies acquired by AVF are recorded as expenditures at the time of purchase. It is management's opinion that the inventory of such materials and supplies at December 31, 2020 would not be material to the financial statements.

*C. Capital Assets*

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental activities column in the government-wide financial statements. Capital assets are defined by AVF as assets with an initial, individual cost of more than \$100 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed and are included in construction in progress.

Property, plant, equipment, and infrastructure are depreciated using the straight-line method (with a mid-year convention) over the following estimated useful lives:

<b><u>Asset Category</u></b>	<b><u>Useful Life in Years</u></b>
Buildings and Improvements	20
Furniture and Fixtures	3 to 5
Vehicles and Heavy Equipment	3 to 20

*D. Fund Equity*

In accordance with Government Accounting Standards Board (GASB) Codification Section 1800, fund balances of the governmental fund types are categorized into one of five categories - Non-spendable, Restricted, Committed, Assigned, or Unassigned.

**AVONDALE VOLUNTEER FIRE COMPANY, INC. (AVF)**  
**d/b/a**  
**FIRE PROTECTION DISTRICT NO. 7 OF JEFFERSON PARISH -**  
**AVONDALE DIVISION**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**December 31, 2020**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

For *assigned fund balances*, the President and/or Fire Chief may assign amounts to a specific purpose via internal memorandum, with the board's approval.

While AVF has not established a policy for its use of unrestricted fund balance, it does consider that committed amounts would be reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

6. Use of Estimates

Preparation of financial statements in accordance with generally accepted accounting principles requires AVF 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 expenses/expenditures. Actual results could differ from the estimates that were used.

7. Subsequent Events

AVF has evaluated subsequent events through March 9, 2021, the date the financial statements were available to be issued.

8. Donated Services, Facilities, or Supplies

No amounts are reflected in the financial statements for donated services. Donated services include a substantial number of hours from volunteer firefighters. These amounts are not readily determinable. In addition, the Parish of Jefferson provides the facilities in which AVF's personnel operate from. The Parish also owns some of the firefighting vehicles and equipment. The costs of these assets are carried on the financial statements of the Parish and are not included in AVF's financial statements.

**AVONDALE VOLUNTEER FIRE COMPANY, INC. (AVF)**  
**d/b/a**  
**FIRE PROTECTION DISTRICT NO. 7 OF JEFFERSON PARISH -**  
**AVONDALE DIVISION**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**December 31, 2020**

**NOTE B - RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

1. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-wide Statement of Activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes reconciliation between *net changes in fund balances - total governmental funds* and *changes in net position of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that “Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.” The details of this \$(20,216) difference are as follows:

Capital outlay	\$ -
Depreciation expense	<u>(20,216)</u>
Net adjustments to increase <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net position - governmental activities</i> .	<u>\$ (20,216)</u>

**NOTE C - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

1. Compliance with Cooperative Endeavor Agreement

As a quasi-public corporation, AVF is not subject to all of the general statutes governing political subdivisions and other governments within the State of Louisiana. Instead, AVF must comply with the terms and conditions of the cooperative endeavor agreement it has with the Parish of Jefferson. As of December 31, 2020, AVF was in compliance with all of the significant conditions of the agreement.



**AVONDALE VOLUNTEER FIRE COMPANY, INC. (AVF)**  
**d/b/a**  
**FIRE PROTECTION DISTRICT NO. 7 OF JEFFERSON PARISH -**  
**AVONDALE DIVISION**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**December 31, 2020**

**NOTE D - DETAILED NOTES ON ALL ACTIVITIES AND FUNDS**

1. Deposits with Financial Institutions and Investments

**Deposits with Financial Institutions**

At December 31, 2020, deposits with financial institutions consisted of the following:

	<b>Cash</b>	<b>Certificates of Deposit</b>	<b>Other</b>	<b>Total</b>
<b>Value of Deposits in Banks</b>	\$ 454,275	\$ 43,279	\$ -	\$ 497,554
<b>Bank Balances of Deposits Exposed to Custodial Credit Risk:</b>				
A. Uninsured and uncollateralized	\$ 247,554	\$ -	\$ -	\$ 247,554
B. Uninsured and collateralized with securities held by pledging institution	-	-	-	-
C. Uninsured and collateralized with securities held by the pledging financial institution's trust department or agent but not in AVF's name	-	-	-	-
Total Bank Balances Exposed to Custodial Credit Risk	\$ 247,554	\$ -	\$ -	\$ 247,554
<b>Total Cash Balances on Books - All Deposits</b>	\$ 450,115	\$ 43,279	\$ -	\$ 493,394

**Investments**

AVF had no investments during the year.

**AVONDALE VOLUNTEER FIRE COMPANY, INC. (AVF)**  
**d/b/a**  
**FIRE PROTECTION DISTRICT NO. 7 OF JEFFERSON PARISH -**  
**AVONDALE DIVISION**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**December 31, 2020**

**NOTE D - DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)**

2. Capital Assets

The following is a summary of changes in fixed assets during the fiscal year:

	Balance December 31, 2018	Additions	Deletions	Transfers	Balance December 31, 2019
<b>Governmental Activities:</b>					
Capital Assets, not being depreciated					
Land	\$ 8,834	\$ -	\$ -	\$ -	\$ 8,834
Total capital assets, not being depreciated	<u>\$ 8,834</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,834</u>
Capital Assets, being depreciated					
Buildings	\$ 75,558	\$ -	\$ -	\$ -	\$ 75,558
Furniture and fixtures	81,983	-	-	-	81,983
Vehicles and heavy equipment	360,325	-	-	-	360,325
Total capital assets, being depreciated	<u>517,866</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>517,866</u>
Less Accumulated Depreciation for:					
Buildings	(75,558)	-	-	-	(75,558)
Furniture and fixtures	(77,086)	(3,290)	-	-	(80,376)
Vehicles and heavy equipment	(259,154)	(16,926)	-	-	(276,080)
Total accumulated depreciation	<u>(411,798)</u>	<u>(20,216)</u>	<u>-</u>	<u>-</u>	<u>(432,014)</u>
Total capital assets being depreciated, net	<u>\$ 106,068</u>	<u>\$ (20,216)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 85,852</u>
Total governmental activities capital assets, net	<u>\$ 114,902</u>	<u>\$ (20,216)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 94,686</u>

The Parish of Jefferson adopted a new policy whereby all fire trucks and vehicles purchased by the non-profits under contract with the Parish with public funds would have to have the trucks and vehicles titled in the Parish's name. Thus, in the prior years, all vehicles were removed from AVF's books and transferred to the Parish.

**AVONDALE VOLUNTEER FIRE COMPANY, INC. (AVF)**  
**d/b/a**  
**FIRE PROTECTION DISTRICT NO. 7 OF JEFFERSON PARISH -**  
**AVONDALE DIVISION**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**December 31, 2020**

**NOTE D - DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)**

3. Fund Balance Components

Per Note A.5.D., AVF follows the requirements of Government Accounting Standards Board (GASB) Codification Section 1800. In accordance with this section, in the fund financial statements, fund balances of the governmental fund types are categorized into one of five categories - Non-spendable, Restricted, Committed, Assigned, or Unassigned. AVF is reporting \$200,212 as *assigned* fund balance. These funds are assigned for future capital outlay purposes. Monies are being set aside by management from the increased tax millage to save up for the replacement of certain vehicles and firefighting equipment.

**NOTE E - ECONOMIC DEPENDENCE**

The Parish Council levies a 25.00 mill ad valorem tax to finance the operations of Fire Protection District No. 7. The Parish in turn contracts with local volunteer fire companies to provide fire protection services on a daily basis. AVF is one of five fire companies operating in Fire Protection District No. 7. Each fire company receives on a monthly basis, 1/12th of the currently budgeted revenues expected to be collected from the 25.00 mill tax.

On the 2019 tax roll, the Parish levied 23.98 of the 25.00 mills available (due to the millage rate being “rolled back” in prior years). The millage was adopted/renewed in May 2010 for a period of 10 years. The millage was renewed in 2020 at 25.00 mills for another 10 years. The remittance to AVF from the Parish of this millage during 2020 totaled \$794,196 or 74.8 percent of its total General Fund revenues.

In addition, the Parish of Jefferson owns the firehouses and the fire trucks and vehicles that AVF uses for operations. These facilities, trucks and vehicles are provided to AVF under the cooperative agreement that gives AVF the authority to administer the operations of the fire district. AVF is responsible for maintaining and insuring the assets as per the contract.

**NOTE F - COMMITMENTS AND CONTINGENCIES**

1. Risk Management

AVF is exposed to various risks of loss resulting from personal injury; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; medical malpractice; and natural disasters. To protect against these risks of loss, the District purchases various types of insurance from commercial carriers (some directly and some through the Parish of Jefferson). In each policy, AVF is responsible for the deductible.

**AVONDALE VOLUNTEER FIRE COMPANY, INC. (AVF)**  
**d/b/a**  
**FIRE PROTECTION DISTRICT NO. 7 OF JEFFERSON PARISH -**  
**AVONDALE DIVISION**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**December 31, 2020**

**NOTE F - COMMITMENTS AND CONTINGENCIES (CONTINUED)**

2. Litigation

There is no litigation pending against AVF at December 31, 2020.

3. COVID-19 Pandemic

In early March 2020, the COVID-19 virus was declared a global pandemic, and unfortunately it continues to spread rapidly throughout the United States. Business continuity, including supply chains and consumer demand across a broad range of industries and countries, has been severely impacted for months, as governments and their citizens take significant and unprecedented measures to mitigate the consequences of the pandemic. Management of the Fire Department is carefully monitoring the situation and evaluating its options during this time. Since most of its assets are short-term in nature, there is no effect on their fair value as of the date of this report. The various grants and contracts are also still in place, therefore, future funding for these projects do not appear to be in jeopardy at this time. Since the Fire Department's main revenue source is property taxes, it has not yet been negatively impacted at this time. The 2020 tax roll has been levied with no significant change in prior year assessment levels or collection rates. No adjustments have been made to these financial statements as a result of this uncertainty.

The Fire Department itself has incurred additional costs (overtime) during 2020 in providing support to a COVID-19 testing site established in Jefferson Parish. Most of these costs were reimbursed through the Cares Act – Coronavirus Relief Fund, although not all costs were covered as the State's allocation was exceeded by cost requests. See Note F.4.

4. Coronavirus Relief Fund (CRF) Reimbursements

In response to the COVID-19 pandemic, the Federal Government passed the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act") and a supplemental bill, the Coronavirus Relief Fund (CRF). Through the CRF, States were to receive direct payments, with each State receiving a minimum of \$1.25 billion. Louisiana's share totaled \$1.8 billion. The State allocated a portion of these funds (\$810 million) to parishes and municipalities who have or will incur expenditures due to the public health emergency between the dates of March 1, 2020 and December 31, 2020.

Through December 31, 2020, the Fire Department submitted costs of \$328,946, of which, \$121,566 was deemed ineligible, with the balance of \$207,380 being approved for reimbursement. As of December 31, 2020, \$207,380 has been received and recognized as revenue in the General Fund. As additional costs are incurred, they will be submitted for reimbursement should additional federal funds be authorized for these programs. The Fire Department does not expect any additional ineligible costs at this time.

**AVONDALE VOLUNTEER FIRE COMPANY, INC. (AVF)**  
**d/b/a**  
**FIRE PROTECTION DISTRICT NO. 7 OF JEFFERSON PARISH -**  
**AVONDALE DIVISION**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**December 31, 2020**

**NOTE G - OTHER INFORMATION**

1. Retirement

AVF's employees are members of the Social Security System. In addition to the employee contribution withheld at 7.65 per cent, AVF contributes 7.65 percent to the System. Aggregate pension costs for the year are \$51,586. AVF does not guarantee the benefits granted by the Social Security System.

2. Deferred Compensation

AVF offers its employees a deferred compensation plan (the "plan") created in accordance with Internal Revenue Code (IRC) Section 457b. The plan, available to all employees, permits them to defer a portion (up to 6%) of their salary until further years. AVF matches the contribution up to 3%. For 2020, employees contributed \$55,056 to the plan and the employer match resulted in an expenditure of \$19,614. The deferred compensation is not available to employees until termination, retirement, death, or an unforeseeable emergency.

In 1996, the U.S. Congress passed the Small Business Job Protection Act of 1996, which requires that employer governments place all amounts deferred until IRC Section 457 into a trust for the exclusive benefit for participants and their beneficiaries. Thus, AVF has no ownership of the plan assets and they are not reported in AVF's financial statements. Investments are managed by the Plan's trustee (Nationwide Retirement). The choice of the investment option(s) are made by the Plan participants.

3. Expenditures Paid by Others

The full-time firefighters of the Fire Department who meet certain requirements receive supplemental pay from the State of Louisiana under the provisions of LRS 33:2002. The State pays this supplemental pay directly to the firefighters; therefore, the expense does not pass through these financial statements. State supplemental payments made to Fire Department employees totaled \$60,228 for the year ended December 31, 2020. The supplemental pay is included in the taxable income of the firefighters so that federal and state taxes may be applied.

4. Subsequent Events

Subsequent to year end, the COVID-19 pandemic continues to spread across the State of Louisiana, including the area that encompasses the Fire Department. While COVID-19 has had a minimal impact on the operations of the Fire Department, it has had a larger impact on certain businesses within and around the area. The stay-at-home mandate and social distancing orders of Federal, State, and Local government authorities continue to have a negative impact on the local economy, although the recent loosening of restrictions has allowed for some recovery. See Note F.3 for more discussion of the pandemic.

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## **INDIVIDUAL FUND STATEMENTS AND SCHEDULES**

**AVONDALE VOLUNTEER FIRE COMPANY, INC. (AVF)**  
**d/b/a**  
**FIRE PROTECTION DISTRICT NO. 7 OF JEFFERSON PARISH**  
**AVONDALE DIVISION**

**GOVERNMENTAL FUNDS - GENERAL FUND**  
**DETAILED SCHEDULE OF REVENUES**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

	<u>General Fund</u>
Intergovernmental	
Federal	
FEMA Public Assistance	\$ -
Cares Act - Coronavirus	207,380
State	
Fire Insurance Rebate	16,154
Jefferson Parish contract:	
Direct payments - ad valorem taxes	794,196
Direct payments - capital improvement subsidy	-
Other Parish/Local	
Parish Cooperative Agreements	8,665
Grant/Donation - City of Westwego	-
	<u>1,026,395</u>
Service charges and reimbursements	
Vending/ice sales	-
	<u>-</u>
Donations and gifts	
Others	-
	<u>-</u>
Interest	<u>585</u>
Miscellaneous	
Insurance proceeds	15,735
Sales of equipment	-
Dues	-
Other	19,598
	<u>35,333</u>
<b>TOTAL REVENUES</b>	<u><u>\$ 1,062,313</u></u>



AVONDALE VOLUNTEER FIRE COMPANY, INC. (AVF)  
d/b/a  
FIRE PROTECTION DISTRICT NO. 7 OF JEFFERSON PARISH  
AVONDALE DIVISION

GOVERNMENTAL FUNDS - GENERAL FUND  
SCHEDULE OF EXPENDITURES  
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>General Fund</u>
<b>Public Safety</b>	
Current	
Personnel and related costs	
Salaries - regular	\$ 523,182
Salaries - overtime	58,711
Salaries - vacation buy-back	12,589
Salaries - tenure	4,200
Payroll taxes	51,586
Retirement	19,614
Health insurance	140,952
Unemployment insurance	77
Workmens' compensation	49,669
Uniforms and shirts	4,052
Physicals & drug testing	85
	<u>864,717</u>
General and administrative costs	
Accounting and legal	6,440
Bank charges	912
Insurance - auto	11,065
Insurance - general and liability	23,587
Membership dues	81
Miscellaneous	(34)
Office and computer supplies	3,514
Professional services - other	405
Telephone	1,795
Travel and conventions	-
	<u>47,765</u>
Firefighting costs and supplies	
Apparel	19,674
Dues	-
Firefighting supplies	2,974
Fire Prevention Week supplies	-
Maintenance - radios & equipment	1,562
Training	1,268
Emergency supplies	125
	<u>25,603</u>
Station Expenses	
Food and beverages	1,266
R & M - buildings	4,510
Hurricane related costs	-
Station supplies	4,796
Utilities	17,072
	<u>27,644</u>
Vehicle Expenses	
Gas and oil	4,619
R & M - vehicles	24,867
	<u>29,486</u>
Capital outlay	
Buildings and grounds	-
Furniture and fixtures	2,947
Vehicles and equipment	-
	<u>2,947</u>
TOTAL CURRENT	<u>998,162</u>
Debt Service	
Principal	-
Interest	-
TOTAL DEBT SERVICE	<u>-</u>
TOTAL EXPENDITURES	<u>\$ 998,162</u>

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## **SUPPLEMENTAL INFORMATION**

AVONDALE VOLUNTEER FIRE COMPANY, INC. (AVF)  
d/b/a  
FIRE PROTECTION DISTRICT NO. 7 OF JEFFERSON PARISH  
AVONDALE DIVISION

SCHEDULE OF COMPENSATION AND OTHER PAYMENTS  
TO AGENCY HEAD OR CHIEF EXECUTIVE OFFICER  
FOR THE YEAR ENDED DECEMBER 31, 2020

Agency Head Name/Title: Michael Ortiz, Sr, Fire Chief

<u>Purpose</u>	<u>Amount</u>	
Salary	\$	57,650
Salary - Vacation Buy-Back		2,285
State Supplemental Pay		6,000 (1)
Benefits - Insurance (Group Health)		8,244
Benefits - Payroll Taxes		5,335 (2)
Benefits - Retirement		2,029 (3)
Car Allowance		-
Vehicle Provided by Agency		- (4)
Per Diem		-
Reimbursements		-
Travel		-
Registration Fees		-
Conference Travel		-
Continuing Professional Education Fees		-
Housing		-
Unvouchered Expenses		-
Special Meals		-

**Notes to Schedule:**

- (1) State Supplemental Pay is paid directly to the employee by the State of Louisiana. It is included in taxable wages to the employee by AVF so that federal and state payroll taxes can be paid on these wages.
- (2) AVF employees do not participate in any qualified state pension plans. Instead, the pay social security and medicare taxes. This amount represents the amount of taxes paid by the employer (AVF).
- (3) During 2020, AVF employees could opt to defer part of their wages into a Section 457B Deferred Compensation Plan. Employees can defer up to 6% and AVF would match up to 3%. This amount represents the employer match of 3%.
- (4) AVF provides the Fire Chief with a take-home vehicle; however, no amount is considered taxable under the IRS rules for vehicles provided to firefighters. The use of the vehicle is considered to be a "working condition benefit". The vehicle meets the definition of "qualified non-personal use vehicle". Use of the vehicle is limited to in-parish travel and personal use is typically only made up of commuting. The truck is primarily used for public safety purposes. The vehicle is also clearly marked with insignias and painted as a fire fighter vehicle.

## **COMPLIANCE SECTION**

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

To the President and Board of  
Avondale Volunteer Fire Company, Inc. (AVF)  
Avondale, Louisiana

I 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 governmental activities and each major fund (i.e., the General Fund) of the Avondale Volunteer Fire Company, Inc. ("AVF"), a non-profit entity d/b/a Fire Protection District No. 7 of Jefferson Parish - Avondale Division, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise AVF's basic financial statements, and have issued my report thereon dated March 9, 2021.

**INTERNAL CONTROL OVER FINANCIAL REPORTING**

In planning and performing my audit, I considered AVF's internal control over financial reporting (internal control) to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing my opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of AVF's internal control. Accordingly, I do not express an opinion on the effectiveness of AVF'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 in 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.

My 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during my audit I did not identify any deficiencies in internal control that I consider to be a material weakness. However, material weaknesses may exist that have not been identified. I did identify a deficiency in internal control, as described in the accompanying schedule of findings and responses, which I consider to be a significant deficiency (See Finding SD20-01).

#### **COMPLIANCE AND OTHER MATTERS**

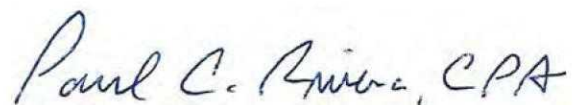
As part of obtaining reasonable assurance about whether AVF's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and 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*.

#### **AVF's RESPONSE TO FINDINGS**

AVF's responses to the findings identified in my audit are described in the accompanying schedule of findings and responses. AVF's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, I express no opinion on them.

#### **PURPOSE OF THIS REPORT**

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of AVF'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Handwritten signature of Paul C. Rivera, CPA in cursive script.

March 9, 2021



**AVONDALE VOLUNTEER FIRE COMPANY, INC. (AVF)  
D/B/A  
FIRE PROTECTION DISTRICT No. 7 OF JEFFERSON PARISH  
AVONDALE DIVISION**

**SCHEDULE OF FINDINGS AND RESPONSES  
For the Year Ended December 31, 2020**

I have audited the financial statements of the Avondale Volunteer Fire Company, Inc. (AVF) as of and for the year ended December 31, 2020, and have issued my report thereon dated March 9, 2021. I conducted my 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. My audit of the financial statements as of December 31, 2020 resulted in an unqualified opinion.

**SECTION I - SUMMARY OF AUDITOR'S REPORTS**

A. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control:

Significant Deficiencies: See SD 20-01.

No Material Weaknesses were noted.

Compliance:

No instances of noncompliance material to the financial statements were noted

B. Federal Awards - not applicable

C. Identification of Major Programs - not applicable

**SECTION II - FINANCIAL STATEMENT FINDINGS**

**SD Comment # 20-01 - Inadequate Segregation of Duties**

Condition - I noted that the size of the AVF's operations are too small to provide for an adequate segregation of duties. AVF's Fire Chief is charged with most of the responsibilities relating to the cash receipts, cash disbursements, payroll and financial reporting cycles. AVF does, however, have various controls in place which tend to mitigate this problem, including (1) having another person review and initial all bank reconciliations, (2) requiring dual signatures on all checks, (3) requiring the presentation of actual versus budget reports on a monthly basis, (4) the use of an outside bookkeeping firm to review the general ledger postings on a monthly basis, and (5) the preparation of the annual financial statements by the external CPA.

Recommendation - Employing additional controls may not be cost beneficial, however, the Board should remain cognizant of the lack of segregation of duties.

Response - We are aware of the condition, however, at this point we are not in the financial position of addressing the problem. The Board is aware of the condition and will continue to monitor the financial activity of AVF in a timely manner.

AVONDALE VOLUNTEER FIRE COMPANY, INC. (AVF)  
D/B/A  
FIRE PROTECTION DISTRICT No. 7 OF JEFFERSON PARISH  
AVONDALE DIVISION

SCHEDULE OF FINDINGS AND RESPONSES  
For the Year Ended December 31, 2020

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Not Applicable

SECTION IV - STATUS OF PRIOR YEAR FINDINGS

The status of findings and questioned costs noted in prior years is noted below:

**FINANCIAL STATEMENT FINDINGS**

Prior Year Comment No.	Description	Status
# 19-01	Lack of segregation of duties.	Not Resolved See CY Comment # 20-01
# 19-02	End of year journal entries, closing entries, and depreciation entries prepared by external auditor.	Resolved.
# 19-03	Financial statements prepared by external auditor.	Resolved.

(END)