

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, 2021

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INDEPENDENT AUDITORS' REPORT

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and the major fund of Avondale Volunteer Fire Company, Inc., 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, 2021, and the related notes to the financial statements, which collectively comprise Avondale Volunteer Fire Company, Inc.'s basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of Avondale Volunteer Fire Company, Inc., AVF as of December 31, 2021 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.

Basis for Opinions

Our responsibility is to express opinions on these basic financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 Avondale Volunteer Fire Company, Inc., and meet our ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, 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 Avondale Volunteer Fire Company, Inc.'s ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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 opinions. 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 and *Government 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 and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- 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.
- Obtain an understanding of the 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 Avondale Volunteer Fire Company, Inc.'s internal control. Accordingly, no such opinion is expressed.
- 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.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Avondale Volunteer Fire Company, Inc.'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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3-12 be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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. We 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 our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Avondale Volunteer Fire Company, Inc.'s basic financial statements. The accompanying supplementary general fund schedules and Schedule of Compensation, Benefits, and Other Payments to Agency Head or Chief Executive Officer are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements or the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted by the United States of America. In our opinion, the accompanying supplementary general fund schedules and Schedule of Compensation, Benefits, and Other Payments to Agency Head or Chief Executive Officer 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*, We have also issued a report dated July 21, 2022, on our consideration of Avondale Volunteer Fire Company, Inc.'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 Avondale Volunteer Fire Company, Inc.'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 Avondale Volunteer Fire Company, Inc.'s internal control over financial reporting and compliance.

Camnetar & Co.

Camnetar & Co., CPAs
a professional accounting corporation

Gretna, Louisiana
July 21, 2022

AVONDALE VOLUNTEER FIRE COMPANY, INC.
d/b/a
FIRE PROTECTION DISTRICT NO. 7 OF JEFFERSON PARISH – AVONDALE DIVISION
MANAGEMENT’S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2021

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, 2021.

We encourage readers to consider the information presented here in conjunction with the financial statements, which begin on page 15.

FINANCIAL HIGHLIGHTS

- The assets of AVF exceeded its liabilities at the close of the most recent fiscal year by \$747,237 (*net position*). Of this amount, \$75,026 or 10.0% is invested in capital assets, such as buildings and equipment. The remaining balance of \$672,211 (*unrestricted net position*) or 90.0% may be used to meet the government’s ongoing obligations to citizens and creditors.
- AVF’S total net position increased by \$172,593 during the current year because revenues exceeded the expenses by that amount. During 2021, operating grants were down \$168,692, mainly due to prior year funding from CARES Act – Coronavirus Relief Funds. Capital grants were up by \$42,536 due to a non-recurring drawdown of capital funds from the Parish. AVF also received \$271,862 insurance proceeds from Hurricane Ida damages.
- As of the close of the current fiscal year, AVF’S governmental fund (the General Fund) reported ending fund balance of \$672,211, an increase of \$192,253 or 40.1% in comparison with the prior year. Approximately \$471,977 or 70.2% of this total amount is available for spending at the government’s discretion (*unassigned fund balance*). The balance of \$200,234 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 \$471,977 or 47.1% of total general fund expenditures. This compares to 28% last year

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.

AVONDALE VOLUNTEER FIRE COMPANY, INC.
d/b/a
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MANAGEMENT’S DISCUSSION AND ANALYSIS
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OVERVIEW OF THE FINANCIAL STATEMENTS (continued)

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 15 and 16 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”.

AVONDALE VOLUNTEER FIRE COMPANY, INC.
d/b/a
FIRE PROTECTION DISTRICT NO. 7 OF JEFFERSON PARISH – AVONDALE DIVISION
MANAGEMENT’S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2021

OVERVIEW OF THE FINANCIAL STATEMENTS (continued)

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 15 to 20 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 31 of this report.

Other information. General fund 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 34.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Governmental Activities – Net Position

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 \$747,237 at December 31, 2021, as shown below.

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

	Governmental Activities 2021	Governmental Activities 2020	\$ Increase (Decrease)	% Increase (Decrease)
Current and other assets	\$ 683,298	\$ 493,394	\$ 189,904	38.5%
Capital assets	75,026	94,686	(19,660)	-20.8%
Total Assets	<u>758,324</u>	<u>588,080</u>	<u>170,244</u>	28.9%
Current liabilities	11,087	13,436	(2,349)	-17.5%
Total Liabilities	<u>11,087</u>	<u>13,436</u>	<u>(2,349)</u>	-17.5%
Net Position				
Invested in capital assets, net of related debt	75,026	94,686	(19,660)	-20.8%
Unrestricted	672,211	479,958	192,253	40.1%
Total Net Position	<u>\$ 747,237</u>	<u>\$ 574,644</u>	<u>\$ 172,593</u>	30.0%

AVONDALE VOLUNTEER FIRE COMPANY, INC.
d/b/a
FIRE PROTECTION DISTRICT NO. 7 OF JEFFERSON PARISH – AVONDALE DIVISION
MANAGEMENT’S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2021

GOVERNMENT-WIDE FINANCIAL ANALYSIS (continued)

Governmental Activities – Net Position (continued)

Ten percent of AVF’s net position reflects its investment in capital assets (e.g., land, buildings, furniture and fixtures, heavy equipment). AVF uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. The balance of *unrestricted net position* (\$672,211 or 90.0%) may be used to meet the government’s ongoing obligations to citizens and creditors.

AVF’S total net position increased by \$172,593 or 30% during the current fiscal year as seen below

Governmental Activities - Revenues Governmental activities increased AVF’S net position by \$172,593 a 30% increase from the prior year. Key elements of this increase are as follows:

AVONDALE VOLUNTEER FIRE COMPANY, INC.
CONDENSED STATEMENTS OF ACTIVITIES

	Governmental Activities 2021		Governmental Activities 2020		\$ Increase (Decrease)	% Increase (Decrease)
Revenues						
Program revenues						
Operating grants and contributions	\$ 857,703	71.9%	\$ 1,026,395	96.6%	(168,692)	-16.4%
Capital grants and contributions	42,536	3.6%	-		42,536	-
General revenues						
Unrestricted interest	44	0.0%	585	0.1%	(541)	-92.5%
Miscellaneous	293,077	24.6%	35,333	3.3%	257,744	729.5%
Total revenues	<u>1,193,360</u>	<u>100.0%</u>	<u>1,062,313</u>	<u>100.0%</u>	<u>131,047</u>	<u>12.3%</u>
Expenses						
Public safety	954,635	97.1%	998,162	98.0%	(43,527)	-4.4%
Unallocated depreciation expense	28,644	2.9%	20,216	2.0%	8,428	41.7%
Total expenses	<u>983,279</u>	<u>100.0%</u>	<u>1,018,378</u>	<u>100.0%</u>	<u>(35,099)</u>	<u>-3.4%</u>
Special item						
Transfer of assets to the Parish	<u>(37,488)</u>		<u>-</u>		<u>(37,488)</u>	<u>-</u>
Change in net position	172,593		43,935		128,658	292.8%
Net position - beginning of year	574,644		530,709		43,935	8.3%
Net position - end of year	<u>\$ 747,237</u>		<u>\$ 574,644</u>		<u>\$ 172,593</u>	<u>30.0%</u>

AVONDALE VOLUNTEER FIRE COMPANY, INC.
d/b/a
FIRE PROTECTION DISTRICT NO. 7 OF JEFFERSON PARISH – AVONDALE DIVISION
MANAGEMENT’S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2021

GOVERNMENT-WIDE FINANCIAL ANALYSIS (continued)

Governmental Activities – Revenues(continued)

- In the current year, Operating Grants totaled \$857,703 and consisted of funds received from the Parish of Jefferson. The Parish of Jefferson levied an ad valorem tax in the District and remitted \$857,703 to AVF. Under the agreement, the Parish remits a fixed monthly amount to AVF depending on the estimated tax collections. AVF received \$42,536 in capital grants from the Parish of Jefferson for the purchase of capital assets including a fire station vehicle. The State provided \$16,203 to AVF for fire insurance rebates.
- Miscellaneous income of \$293,077 was primarily from two sources, these were (1) \$20,691 in refunds from LWCC (dividends on the workman’s compensation policy), and (2) \$271,862 in insurance claims related to Hurricane Ida.

Governmental Activities – Expenses

Expenses totaled \$983,279, including current year depreciation of \$28,644. This is a decrease of \$35,099 from the prior year. As a fire district, the only function AVF provides is the public safety function. A comparison of the AVF’s public safety expenses for the current year and prior year are shown below. The decrease in personnel related costs reflects the decline in overtime costs in 2021 compared to 2020 due to the COVID-19 pandemic. The decrease in firefighting costs was due to a decline in fire fighting apparatus purchased in the prior year, that was not purchased in the current year.

AVONDALE VOLUNTEER FIRE COMPANY, INC.

	Public Safety Expenses 2021		Public Safety Expenses 2020		\$ Increase (Decrease)	% Increase (Decrease)
Expenses						
Public safety						
Personnel and related costs	\$ 845,332	86.0%	\$ 864,717	84.9%	\$ (19,385)	-2.2%
General and administrative costs	49,198	5.0%	47,765	4.7%	1,433	3.0%
Firefighting costs and supplies	7,308	0.7%	28,550	2.8%	(21,242)	-74.4%
Station Expense	31,126	3.2%	27,644	2.7%	3,482	12.6%
Vehicle Expenses	21,671	2.2%	29,486	2.9%	(7,815)	-26.5%
Depreciation Expense	28,644	2.9%	20,216	2.0%	8,428	41.7%
Total public safety expenses	<u>\$ 983,279</u>	<u>100.0%</u>	<u>\$ 1,018,378</u>	<u>100.0%</u>	<u>\$ (35,099)</u>	<u>-3.4%</u>

FINANCIAL ANALYSIS OF THE GOVERNMENT’S FUNDS

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

AVONDALE VOLUNTEER FIRE COMPANY, INC.
d/b/a
FIRE PROTECTION DISTRICT NO. 7 OF JEFFERSON PARISH – AVONDALE DIVISION
MANAGEMENT’S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2021

FINANCIAL ANALYSIS OF THE GOVERNMENT’S FUNDS (continued)

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, 2021, AVF’S governmental fund (i.e., the General Fund) reported ending fund balance of \$672,211, an increase of \$192,253 or 40.1% in comparison with the prior year as shown below. Approximately \$471,977 or 70.2% of this total constitutes *unassigned fund balance*, which is available for spending at the government’s discretion. The remaining fund balance of \$200,234 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).

AVONDALE VOLUNTEER FIRE COMPANY, INC.
CONDENSED BALANCE SHEET - GOVERNMENTAL FUNDS

	General Fund 2021	General Fund 2020	\$ Increase (Decrease)	% Increase (Decrease)
Current and other assets	\$ 683,298	\$ 493,394	\$ 189,904	38.5%
Total Assets	<u>683,298</u>	<u>493,394</u>	<u>189,904</u>	38.5%
Current liabilities	\$ 11,087	\$ 13,436	(2,349)	-17.5%
Total Liabilities	<u>11,087</u>	<u>13,436</u>	<u>(2,349)</u>	-17.5%
Net Position				
Assigned	200,234	200,212	22	0.0%
Unassigned	<u>471,977</u>	<u>279,746</u>	<u>192,231</u>	68.7%
Total Fund Balance	<u>672,211</u>	<u>479,958</u>	<u>192,253</u>	40.1%
Total Liabilities and Fund Balance	<u>\$ 683,298</u>	<u>\$ 493,394</u>	<u>\$ 189,904</u>	38.5%

AVONDALE VOLUNTEER FIRE COMPANY, INC.
d/b/a
FIRE PROTECTION DISTRICT NO. 7 OF JEFFERSON PARISH – AVONDALE DIVISION
MANAGEMENT’S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2021

FINANCIAL ANALYSIS OF THE GOVERNMENT’S FUNDS (continued)

As Noted above, the governmental funds include the general operating funds of AVF (i.e., the General Fund). As shown below, the fund balance of the General Fund increased in 2021.

AVONDALE VOLUNTEER FIRE COMPANY, INC.
CONDENSED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

	General Fund 2021		General Fund 2020		\$ Increase (Decrease)	% Increase (Decrease)
Revenues						
Intergovernmental	900,239	75.4%	1,026,395	96.6%	(126,156)	-12.3%
Miscellaneous	293,121	24.6%	35,918	3.4%	257,203	716.1%
Total revenues	<u>1,193,360</u>	<u>100.0%</u>	<u>1,062,313</u>	<u>100.0%</u>	<u>131,047</u>	<u>12.3%</u>
Expenditures						
Public safety	1,001,107	101.8%	998,162	98.0%	2,945	0.3%
Total expenditures	<u>1,001,107</u>	<u>101.8%</u>	<u>998,162</u>	<u>98.0%</u>	<u>2,945</u>	<u>0.3%</u>
Excess revenues over expenditures	192,253		64,151		128,102	199.7%
Fund balance - beginning of year	479,958		415,807		64,151	15.4%
Fund balance - end of year	<u>\$ 672,211</u>		<u>\$ 479,958</u>		<u>192,253</u>	<u>40.1%</u>

AVONDALE VOLUNTEER FIRE COMPANY, INC.
d/b/a
FIRE PROTECTION DISTRICT NO. 7 OF JEFFERSON PARISH – AVONDALE DIVISION
MANAGEMENT’S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2021

FINANCIAL ANALYSIS OF THE GOVERNMENT’S FUNDS (continued)

As shown below, the General Fund revenues increased in 2021 by \$131,047 or 12.3% from the prior year.

AVONDALE VOLUNTEER FIRE COMPANY, INC.
GENERAL FUND - REVENUES

	General Fund Revenues 2021	General Fund Revenues 2020	\$ Increase (Decrease)	% Increase (Decrease)
Intergovernmental				
Federal				
Cares Act - Coronavirus	\$ -	\$ 207,380	\$ (207,380)	-100.0%
State				
Fire Insurance Rebate	16,203	16,154	49	0.3%
Jefferson Parish contract:				
Ad valorem taxes	841,500	794,196	47,304	6.0%
Capital improvement subsidy	42,536	-	42,536	--
Other Parish/Local				
Parish Cooperative Agreement	-	8,665	(8,665)	-100.0%
	<u>900,239</u>	<u>1,026,395</u>	<u>(126,156)</u>	<u>-12.3%</u>
Interest	<u>44</u>	<u>585</u>	<u>(541)</u>	<u>-92.5%</u>
Miscellaneous				
Insurance proceeds	271,862	15,735	256,127	1627.8%
Worker's compensation dividend	20,691	19,248	1,443	7.5%
Other	524	350	174	49.7%
	<u>293,077</u>	<u>35,333</u>	<u>257,744</u>	<u>729.5%</u>
TOTAL REVENUES	<u>\$ 1,193,360</u>	<u>\$ 1,062,313</u>	<u>\$ 131,047</u>	<u>12.3%</u>

AVONDALE VOLUNTEER FIRE COMPANY, INC.
d/b/a
FIRE PROTECTION DISTRICT NO. 7 OF JEFFERSON PARISH – AVONDALE DIVISION
MANAGEMENT’S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2021

FINANCIAL ANALYSIS OF THE GOVERNMENT’S FUNDS (continued)

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. As shown below, unassigned fund balance represents 47.1% of total general fund expenditures, as compared to 28.0% last year. Total fund balance represents 67.1% of total general fund expenditures, as compared to 48.1% last year.

AVONDALE VOLUNTEER FIRE COMPANY, INC.

	General Fund 2021	% of Total Expenditures	General Fund 2020	% of Total Expenditures
Fund Balance				
Assigned	\$ 200,234	20.0%	\$ 200,212	20.1%
Unassigned	471,977	47.1%	279,746	28.0%
Total Fund Balance	<u>\$ 672,211</u>	67.1%	<u>\$ 479,958</u>	48.1%
 Total Expenditures	 \$ 1,001,107		 \$ 998,162	

As shown below, General Fund Expenditures totaled \$1,001,107, an increase of \$2,945 or 0.3% compared to last year.

AVONDALE VOLUNTEER FIRE COMPANY, INC.
GENERAL FUND - EXPENDITURES

	General Fund Expenditures 2021		General Fund Expenditures 2020		\$ Increase (Decrease)	% Increase (Decrease)
Expenditures						
Personnel and related costs	\$ 845,332	84.4%	\$ 864,717	86.6%	\$ (19,385)	-2.2%
General and administrative costs	49,198	4.9%	47,765	4.8%	1,433	3.0%
Firefighting costs and supplies	7,308	0.7%	25,603	2.6%	(18,295)	-71.5%
Station Expenses	31,126	3.1%	27,644	2.8%	3,482	12.6%
Vehicle Expenses	21,671	2.2%	29,486	3.0%	(7,815)	-26.5%
Capital outlay	46,472	4.6%	2,947	0.3%	43,525	1476.9%
Total expenditures	<u>\$ 1,001,107</u>	100.0%	<u>\$ 998,162</u>	100.0%	<u>\$ 2,945</u>	0.3%

- Salaries and related costs decreased \$19,385. Salaries were down primarily to the reduction of overtime related to the coronavirus pandemic
- Firefighting costs and supplies were down \$18,295, primarily due to a decrease in apparel (new bunker gear purchased) purchased in the prior year but not in the current year.
- Station expenses were up \$3,482, due to increases in station repairs and utilities.
- Vehicle expenses were down \$7,815 due to decrease in vehicle repairs and maintenance.
- Capital outlay was up \$43,525, due to the purchase of new station vehicle in the current fiscal year.

AVONDALE VOLUNTEER FIRE COMPANY, INC.
d/b/a
FIRE PROTECTION DISTRICT NO. 7 OF JEFFERSON PARISH – AVONDALE DIVISION
MANAGEMENT’S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2021

CAPITAL ASSET

AVF’S investment in capital assets for its governmental activities as of December 31, 2021 amounts to \$75,026 (net of accumulated depreciation). This investment in capital assets includes land, buildings, furniture and fixtures, heavy equipment, and vehicles. AVF’S investment in capital assets decreased by \$19,660 or 20.8% this year. Major capital asset events during the current fiscal year included the following:

- AVF purchased a fire station vehicle from capital grant funds from the Parish of Jefferson, the contract with Jefferson Parish requires the vehicle be titled and owned by the Parish of Jefferson, therefore after the purchase the vehicle was donated to the Parish of Jefferson.
- \$28,644 was recognized as depreciation expense.

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

	Governmental Activities 2021	Governmental Activities 2020	\$ Increase (Decrease)	% Increase (Decrease)
Land	\$ 8,834	\$ 8,834	\$ -	0.0%
Buildings	-	-	-	-
Furniture and fixtures	1,767	1,607	160	10.0%
Vehicles and heavy equipment	64,425	84,245	(19,820)	-23.5%
Total	\$ 75,026	\$ 94,686	\$ (19,660)	-20.8%

Additional information on AVF’S capital assets can be found in Note C.2 on page 27.

ECONOMIC FACTORS AND NEXT YEAR’S RATES

The ad valorem millage rate levied by the Parish of Jefferson for the 2022 (next year’s) tax roll was 25.00 mills. Budget figures presented by the Parish show the monthly allocation of property taxes to AVF stayed the same as last year, which was \$70,483.

REQUEST 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.

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, 2021

	GOVERNMENTAL ACTIVITIES
ASSETS	
Cash and cash equivalents	\$ 683,298
Capital assets (net of accumulated depreciation)	
Land	8,834
Buildings	-
Furniture and fixtures	1,767
Vehicles and firefighting equipment	64,425
Total Capital Assets	75,026
TOTAL ASSETS	758,324
LIABILITIES	
Current liabilities	
Accounts payable and other current liabilities	9,122
Accrued payroll and deductions	1,965
Total Current Liabilities	11,087
TOTAL LIABILITIES	11,087
NET POSITION	
Net investment in capital assets	75,026
Unrestricted	672,211
TOTAL NET POSITION	\$ 747,237

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 31, 2021

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	\$ 954,635	\$ -	\$ 857,703	\$ 42,536	\$ (54,396)
Unallocated depreciation expense	28,644	-	-	-	(28,644)
Total governmental activities	<u>\$ 983,279</u>	<u>\$ -</u>	<u>\$ 857,703</u>	<u>\$ 42,536</u>	(83,040)
		GENERAL REVENUES			
					44
					293,077
					<u>293,121</u>
		SPECIAL ITEM			
					(37,488)
					172,593
					NET POSITION
					574,644
					<u>\$ 747,237</u>

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, 2021

	General Fund
ASSETS	
Cash and Certificates of Deposit	\$ 683,298
TOTAL ASSETS	\$ 683,298
 LIABILITIES AND FUND BALANCE	
Liabilities:	
Accounts payable	\$ 9,122
Salaries and related taxes payable	1,965
Total Liabilities	11,087
Fund Balance:	
Assigned	200,234
Unassigned	471,977
Total Fund Balance	672,211
TOTAL LIABILITIES AND FUND BALANCE	\$ 683,298

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, 2021

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

Total Fund Balances at December 31, 2021 - Governmental Funds (page 16)	\$ 672,211
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.	75,026
Total Net Position of Governmental Activities at December 31, 2021 (page 14)	<u>\$ 747,237</u>

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, 2021

	General Fund
REVENUES	
Intergovernmental	\$ 900,239
Interest	44
Miscellaneous	293,077
TOTAL REVENUES	1,193,360
 EXPENDITURES	
Current	
Public Safety	
Personnel and related costs	845,332
General and administrative costs	49,198
Firefighting costs and supplies	7,308
Station Expenses	31,126
Vehicle Expenses	21,671
Capital outlay	46,472
TOTAL EXPENDITURES	1,001,107
EXCESS OF REVENUES OVER EXPENDITURES	192,253
 FUND BALANCE	
Beginning of year	479,958
End of year	\$ 672,211

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 BALANCE TO THE STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2021

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)	\$ 192,253
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.	17,828
The net effect of various transactions involving capital assets (i.e., donation of capital assets to Jefferson Parish)	(37,488)
Change in net position of governmental activities (page 15)	<u>\$ 172,593</u>

NOTES TO 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
December 31, 2021

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 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
December 31, 2021

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
December 31, 2021

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.

4. Budget

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.

5. 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
December 31, 2021

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, 2021 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:

<u>Asset Category</u>	<u>Useful Life in Years</u>
Buildings and improvements	20
Furniture and fixtures	3 - 5
Vehicles and heavy equipment	3 - 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
December 31, 2021

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 July 21, 2022 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
December 31, 2021

NOTE B - 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, 2021, AVF was in compliance with all of the significant conditions of the agreement.

NOTE C - DETAILED NOTES ON ALL ACTIVITIES AND FUNDS

1. Cash and Cash Equivalents

At December 31, 2021, deposits with financial institutions and cash per books consisted of the following:

	December 31, 2021		
	Cash	Certificates of Deposit	Total
Value of Deposits in Banks	\$ 641,387	\$ 43,304	\$ 684,691
FDIC Insurance	250,000	-	250,000
Uninsured and uncollateralized bank balances	\$ 391,387	\$ 43,304	\$ 434,691
 Total Cash Balances per Books	\$ 639,997	\$ 43,301	\$ 683,298

At December 31, 2021, the AVF's cash and cash equivalents (book balances) total \$683,298. These deposits are stated at cost, which approximates market.

Custodial Credit Risk – Deposits. At December 31, 2021, the AVF had \$684,691 in deposits (collected bank balances) in one local financial institution. These deposits were not fully secured from risk. The uninsured bank balances were \$434,691 at December 31, 2021.

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, 2021

NOTE C - 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, 2020	Additions	Deletions	Reclass/ Transfers	Balance December 31, 2021
Governmental Activities					
Capital assets, not being depreciated					
Land	\$ 8,834	\$ -	\$ -	\$ -	\$ 8,834
Total capital assets, not being depreciated	8,834	-	-	-	8,834
Capital assets, being depreciated					
Buildings	75,558	-	-	-	75,558
Furniture and fixtures	81,983	2,078	(1,200)	-	82,861
Vehicles and heavy equipment	360,325	44,394	-	(37,488)	367,231
Total capital assets, being depreciated	517,866	46,472	(1,200)	(37,488)	525,650
Less accumulated depreciation					
Buildings	75,558	-	-	-	75,558
Furniture and fixtures	80,376	1,918	(1,200)	-	81,094
Vehicles and heavy equipment	276,080	26,726	-	-	302,806
Total accumulated depreciation	432,014	28,644	(1,200)	-	459,458
Total capital assets, being depreciated, net	85,852	17,828	-	(37,488)	66,192
Total governmental activities, capital assets, net	\$ 94,686	\$ 17,828	\$ -	\$ (37,488)	\$ 75,026

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. For the current year the AVF transferred a vehicle purchased in the amount of \$37,488 as shown above as a transfer.

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, 2021

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

3. Fund Balance Components

Per Note A., 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 \$200,234 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 D - 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.

The remittance to AVF from the Parish of this millage during 2021 totaled \$841,500 or 70.5% 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 E - 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
December 31, 2021

NOTE F - COMMITMENTS AND CONTINGENCIES (CONTINUED)

2. Litigation

There is no known litigation pending against AVF at December 31, 2021.

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%, AVF contributes 7.65% to the System. Aggregate pension costs for the year are \$50,423. 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 future years. AVF matches the contribution up to 3%. For 2021, employees contributed \$58,580 to the plan and the employer match resulted in an expenditure of \$18,473. 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 \$52,844 for the year ended December 31, 2021. The supplemental pay is included in the taxable income of the firefighters so that federal and state taxes may be applied.

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, 2021

NOTE G - OTHER INFORMATION (continued)

4. Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, July 21, 2022, no events occurred that require disclosure.

SUPPLEMENTAL INFORMATION

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, 2021

	<u>General Fund</u>
Intergovernmental	
State	
Fire Insurance Rebate	\$ 16,203
Jefferson Parish contract:	
Direct payments - ad valorem taxes	841,500
Direct payments - capital improvement subsidy	42,536
	900,239
Interest	44
Miscellaneous	
Insurance proceeds	271,862
Worker's compensation dividend	20,691
Other	524
	293,077
TOTAL REVENUES	\$ 1,193,360

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 EXPENDITURES
For the Year Ended December 31, 2021

	<u>General Fund</u>
Public Safety	
Personnel and related costs	
Salaries - regular	\$ 534,924
Salaries - overtime	43,603
Salaries - vacation buy-back	11,131
Salaries - tenure	3,900
Payroll taxes	50,423
Retirement	18,473
Health insurance	140,342
Unemployment insurance	94
Workmens' compensation	40,659
Uniforms and shirts	1,783
	845,332
General and administrative costs	
Accounting and legal	4,580
Bank charges	993
Insurance - auto	14,021
Insurance - general and liability	23,719
Membership dues	62
Miscellaneous	15
Office and computer supplies	3,472
Professional services - other	514
Telephone	1,822
	49,198
Firefighting costs and supplies	
Apparel	808
Firefighting supplies	4,062
Maintenance - radios & equipment	2,063
Training	375
	7,308
Station Expenses	
Food and beverages	1,324
R & M - buildings	199
Hurricane related costs	3,170
Station supplies	7,639
Utilities	18,794
	31,126
Vehicle Expenses	
Gas and oil	5,929
R & M - vehicles	15,742
	21,671
Capital outlay	
Furniture and fixtures	120
Vehicles and equipment	46,352
	46,472
 TOTAL EXPENDITURES	 \$ 1,001,107

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, 2021

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

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 61,125
State Supplemental Pay	6,000 (1)
Benefits - Insurance (Group Health)	8,434
Benefits - Payroll Taxes	5,289 (2)
Benefits - Retirement	2,014 (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, they pay social security and medicare taxes. This amount represents the amount of taxes paid by the employer (AVF).
- (3) During 2021, 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 of commuting. The truck is primarily used for public safety purposes. The vehicle is also clearly marked with insignias and painted as a firefighter 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.
Avondale, 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 governmental activities and the major fund of the Avondale Volunteer Fire Company, Inc., 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, 2021, and the related notes to the financial statements, which collectively comprise Avondale Volunteer Fire Company, Inc.'s basic financial statements, and have issued our report thereon dated July 21, 2022.

Report on Internal Control over Financial Reporting

In planning and performing our audit, we considered Avondale Volunteer Fire Company, Inc.'s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Avondale Volunteer Fire Company, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Avondale Volunteer Fire Company, Inc.'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 and therefore, material weaknesses or significant deficiencies may exist that were not identified . Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be a material weakness. We identified deficiencies in internal control, as described in the accompanying schedule of findings and responses as items 2021-1 and 2021-2, which we consider to be a significant deficiencies.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Avondale Volunteer Fire Company, Inc.'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 financial statements. 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*.

Avondale Volunteer Fire Company, Inc.'s Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Avondale Volunteer Fire Company, Inc.'s response to the findings identified in our audit and described in the accompanying schedule of findings and responses. Avondale Volunteer Fire Company, Inc.'s response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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 Avondale Volunteer Fire Company, Inc.'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.

Under the Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Camnetar & Co.

Camnetar & Co., CPAs
a professional accounting corporation

Gretna, Louisiana
July 21, 2022

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, 2021

We have audited the financial statements of the Avondale Volunteer Fire Company, Inc. (AVF) as of and for the year ended December 31, 2021, and have issued our report thereon dated July 21, 2022. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. My audit of the financial statements as of December 31, 2021 resulted in an unmodified opinion.

SECTION I - SUMMARY OF AUDITOR'S REPORTS

a) Report on Internal Control and Compliance Material to the Financial Statements

Internal Control

Material Weakness Yes No Significant Deficiencies Yes No

Compliance

Compliance Material to Financial Statements Yes No

Was a management letter issued? Yes No

b) Federal Awards

AVF did not expend federal awards exceeding \$750,000 during the year ended December 31, 2021, and therefore is exempt from the audit requirements under the Uniform Guidance.

SECTION II - FINANCIAL STATEMENT FINDINGS

a) Issues of Noncompliance - None

b) Material Weakness - None

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, 2021

SECTION II - FINANCIAL STATEMENT FINDINGS (continued)

c) Significant Deficiencies –

2021-1 Inadequate Segregation of Duties

Condition – We noted that the size of the AVF's operations are too small to provide for an adequate segregation of duties.

Criteria – Internal control is a process (affected by those charged with governance, management, and other personnel) - designed to provide reasonable assurance about the achievement of objectives with regard to reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations

Cause - 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.

Effect – Failure to adequately segregate accounting and financial functions increases the risk that errors including fraud may occur and not be prevented or detected.

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

Management's Response: Can be found on page 41.

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, 2021

SECTION II - FINANCIAL STATEMENT FINDINGS (continued)

c) Significant Deficiencies (continued)

2021-2 Preparation of Financial Statements by Auditor

Condition and Criteria: AVF does not have controls in place for proper oversight of its financial reporting and for the preparation of financial statements. As is common in small organizations, AVF has chosen to engage the auditor to prepare its annual financial statements. This condition is intentional by management, due to the cost constraints of acquiring the ability to prepare the financial statements in accordance with the modified cash basis of accounting.

Cause: Statement of Auditing Standards (SAS) 115 requires that we report the above condition as a control deficiency. SAS 115 does not provide exceptions to reporting deficiencies that are mitigated with non-audit services rendered by the auditor or deficiencies for which the remedy would be cost prohibitive or otherwise impractical.

Effect: AVF engages the auditor to prepare its annual financial statements.

Recommendation: Whether or not it would be cost effective to cure a control deficiency is not a factor in applying SAS 115's reporting requirements. Prudent management requires that the potential benefit from an internal control must exceed its cost, it may not be practical to correct all the deficiencies noted under SAS 115. We do not believe that curing the significant deficiency described in this finding would be cost effective or practical and accordingly, we do not believe any corrective action is necessary

Management's Response: Can be found on page 41.

d) Management Letter - None

Section III Federal Award Findings and Questions Costs

Not applicable

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

SCHEDULE OF PRIOR YEAR FINDINGS
For the Year Ended December 31, 2021

Section I - Financial Statement Findings

A. Issues of Noncompliance - None

B. Material Weakness - None

C. Significant Deficiencies

20-01 - Inadequate Segregation of Duties

Condition – -It was noted that the size of the AVF's operations are too small to provide for an adequate segregation of duties.

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

Current Status – Unresolved. See item 2021-1

D. Management Letter - None

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

MANAGEMENT'S CORRECTIVE ACTION PLAN
For the Year Ended December 31, 2021

2021-1 Inadequate Segregation of Duties

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.

2021-2 Preparation of Financial Statements by Auditor

The AVF's management and board members are familiar with the day-to-day accounting requirements and the monthly reporting requirements; however, due to limited staffing and funding we do not consider it practical to provide sufficient training to our staff to eliminate this condition and can only continue to rely on the auditor to prepare the financial statements at this time.

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To: To the President and Board of
Avondale Volunteer Fire Company, Inc.
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 January 1, 2021 – December 31, 2021. Avondale Volunteer Fire Company, Inc. (AVF). AVF's management is responsible for those C/C areas identified in the SAUPs.

The AVF 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 January 1, 2021 – December 31, 2021. 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. Obtain the entity's written policies and procedures and observe whether they address each of the following categories and subcategories (or report that the entity does not have any written policies and procedures), 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, 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. Note: Ethics requirements are not applicable to nonprofits.
- j) **Debt Service**, including (1) debt issuance approval, (2) continued 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 a 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.

Results: No exceptions were noted. Non-profits are excluded from items (i) Ethics, (j) Debt Service and (l) Sexual Harassment

Board (or Finance Committee, if applicable)

- 2. Obtain and inspect 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) Observe 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) For those entities reporting on the governmental accounting model, observe whether 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. *Alternately, for those entities reporting on the nonprofit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*
- c) For governmental entities, obtain the prior year audit report and observe 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, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

Results: No exceptions were noted as a result of this procedure.

Bank Reconciliations

3. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:
 - a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);
 - b) Bank reconciliations include 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 it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Results: No exceptions were noted as a result of this procedure.

Collections (excluding electronic funds transfers)

4. Obtain 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. Randomly select 5 deposit sites (or all deposit sites if less than 5).

Results: No exceptions were noted as a result of this procedure.

5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that: **For each cash collection location selected:**
 - a) Employees 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/official verifies the reconciliation.

Results: The Fire Chief primarily collects the cash, prepares the bank deposits and records in the accounting system. Compensating controls: (1) Monthly reports are submitted to the Board of Directors and (2) the external CPA reconciles the bank statement.

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

Results: AVF does not have an insurance policy for theft coverage for employees who have access to cash.

7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select 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.* Obtain supporting documentation for each of the 10 deposits and:
 - a) Observe that receipts are sequentially pre-numbered.
 - b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - c) Trace the deposit slip total to the actual deposit per the bank statement.

- d) Observe 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) Trace the actual deposit per the bank statement to the general ledger.

Results: No exceptions were noted as a result of this procedure.

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

- 8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).

Results: No exceptions were noted as a result of this procedure.

- 9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain 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 observe 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.

[Note: Exceptions to controls that constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality) should not be reported.]

Results: The Fire Chief has the primary responsibility of cash disbursement for AVF. Due to the small size of the entity. The Fire Chief processes and approves payments to vendors. The Fire Chief adds and modifies vendor files in the accounting system. Although checks require two signatures the Fire Chief who processes payments also mails the payments.

- 10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's

representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction, and:

- a) Observe whether the disbursement matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the entity.
- b) Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

Results: No exceptions were noted as a result of this procedure.

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

11. Obtain 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. Obtain management's representation that the listing is complete.

Results: No exceptions were noted as a result of this procedure.

12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:

- a) Observe whether 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) were reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]
- b) Observe that finance charges and late fees were not assessed on the selected statements.

Results: No exceptions were noted as a result of this procedure.

13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e., each card should have 10 transactions subject to testing). For each transaction, observe 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, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

Results: No exceptions were noted as a result of this procedure.

Travel and Expense Reimbursement

14. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:
- a) If reimbursed using a per diem, observe 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, observe the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
 - c) Observe each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).

Results: No exceptions were noted as a result of this procedure.

Contracts

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

Results: No exceptions were noted as a result of this procedure.

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Payroll and Personnel

16. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

Results: No exceptions were noted as a result of this procedure.

17. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:
- a) Observe all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, officials are not eligible to earn leave and do not document their attendance and leave. However, if the official is earning leave according to a policy and/or contract, the official should document his/her daily attendance and leave.)
 - b) Observe whether supervisors approved the attendance and leave of the selected employees or officials.
 - c) Observe any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
 - d) Observe the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.

Results: No exceptions were noted as a result of this procedure.

18. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee or officials' cumulative leave records, agree the pay rates to the employee or officials' authorized pay rates in the employee or officials' personnel files, and agree the termination payment to entity policy.

Results: No exceptions were noted as a result of this procedure.

19. Obtain 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.

Results: No exceptions were noted as a result of this procedure.

Ethics (excluding nonprofits)

20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain ethics documentation from management, and:
- a) Observe whether the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
 - b) Observe 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.

Results: Not applicable to nonprofits.

Debt Service (excluding nonprofits)

21. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe State Bond Commission approval was obtained for each debt instrument issued.

Results: This section not applicable.

22. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

Results: This section not applicable.

Fraud

23. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

Results: No exceptions were noted as a result of this procedure.

24. Observe 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.

Results: No exceptions were noted as a result of this procedure.

Information Technology Disaster Recovery/Business Continuity

25. Perform the following procedures, **verbally discuss the results with management, and report “We performed the procedure and discussed the results with management.”**

- a) Obtain and inspect 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 observe that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), observe evidence that backups are encrypted before being transported.
- b) Obtain and inspect 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 observe evidence that the test/verification was successfully performed within the past 3 months.
- c) Obtain a listing of the entity’s computers currently in use and their related locations, and management’s representation that the listing is complete. Randomly select 5 computers and observe 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.

Results: We performed the procedure and discussed the results with management.

Sexual Harassment

26. Using the 5 randomly selected employees/officials from procedure #16 under “Payroll and Personnel” above, obtain sexual harassment training documentation from management, and observe the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year.

Results: Not applicable to nonprofits.

27. Observe 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).

Results: Not applicable to nonprofits.

28. Obtain the entity’s annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe 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.

Results: Not applicable to nonprofits.

We were engaged by the AVF 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 of the AVF 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.

Camnetar & Co.

Camnetar & Co., CPAs
a professional accounting corporation

Gretna, Louisiana
July 21, 2022

AVONDALE VOLUNTEER FIRE DEPARTMENT INC.
d/ba
FIRE PROTECTION DISTRICT NO. 7 OF
JEFFERSON PARISH – AVONDALE DIVISION
500 SOUTH JAMIE BLVD.
AVONDALE, LA 70094

July 21, 2022

To: Edward L. Camnetar, Jr. CPA
Camnetar & Co. CPAs

Michael J. Waguespack, CPA
Louisiana Legislative Auditor

Re: Management's Response to the Result of the Agreed-Upon Procedures Engagement

We appreciate this opportunity to provide explanations for any exceptions noted during the application of the Louisiana Legislative Auditor's Agreed-Upon Procedures (ALiPs) for the period January 1, 2021 to December 31, 2021. As a quasi-public non-profit entity, we do the best we can with the small staff that we have. We are committed to providing the best services to the citizens within the seventh district of Jefferson Parish and spending the public money provided to us in the most efficient manner possible.

In regards to the exceptions noted during the AUPs, we offer the following;

RESULTS OF AUP 5 - The Fire Chief primarily collects the cash, prepares the bank deposits and records in the accounting system. Compensating controls: (1) Monthly reports are submitted to the Board of Directors and (2) the external CPA reconciles the bank statement.

AVF's RESPONSE: AVF operates with a small staff. The Fire Chief handles most administrative and accounting duties. We do not have the funding to hire additional staff to address this situation at this time. We actually do not collect cash in too many instances anyway. The majority of our collections come via ACH or check from the Parish or the State. When we sell fire reports, they are typically paid for by check made payable to AVF. We don't believe there are enough opportunities for the Fire Chief to steal cash that would require us to hire additional personnel.

RESULTS OF AUP 6 - AVF does not have an insurance policy for theft coverage for employees who have access to cash.

AVF's RESPONSE: As noted previously, AVF operates with a small staff. The Fire Chief handles most administrative and accounting duties. We actually do not collect cash in too many instances anyway. The bulk of our collections come via ACH or check from the Parish or the State.. We don't believe the risk versus the cost of the premiums warrant this expense.

AVONDALE VOLUNTEER FIRE DEPARTMENT INC.
d/ba
FIRE PROTECTION DISTRICT NO. 7 OF
JEFFERSON PARISH – AVONDALE DIVISION

RESULTS OF AUP 9 - The Fire Chief has the primary responsibility of cash disbursement for AVF. Due to the small size of the entity. The Fire Chief processes and approves payments to vendors. The Fire Chief adds and modifies vendor files in the accounting system. Although checks require two signatures the Fire Chief who processes payments also mails the payments.

AVF's RESPONSE: As noted previously, AVF operates with a small staff. The Fire Chief handles most administrative and accounting duties. Under our guidelines, the Fire Chief has expenditure approval and approves all purchase orders and invoices for payment. Also, we utilize QuickBooks as our in-house general ledger/accounting package. QuickBooks does not really contain any controls over adding or deleting vendor files. Since we only have one employee involved in the financial office, he has access to the vendor files and can add or delete at will. Finally, the Fire Chief does have the responsibility of mailing the checks after they are signed; however, it should be noted that the checks do require two signatures (i.e., not just from the Fire Chief) We have tried to put mitigating controls in place by having the Fire Chief present financial data to the Board on a monthly basis. We also require dual signatures on all checks. We also have an external CPA review the bank reconciliations and postings on a monthly basis. Since the President is fairly involved in the operations, his involvement and reviews provide some relief to the fact that the Fire Chief can add or delete vendors without review or approval. We are cognizant of the lack of segregation of duties within the financial office and will continue to monitor financial activity accordingly.

We hope that our answers address any concerns raised from the exceptions noted. We will work towards improving our processes and procedures to minimize or reduce any such exceptions in the future.

Sincerely,



Michael Ortiz
Fire Chief