

FINANCIAL REPORT  
MARRERO-RAGUSA VOLUNTEER  
FIRE COMPANY NO. 3  
DECEMBER 31, 2020 AND 2019

MARRERO-RAGUSA VOLUNTEER  
FIRE COMPANY NO. 3

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DECEMBER 31, 2020 AND 2019

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Board of Directors  
Marrero-Ragusa Volunteer Fire  
Company No. 3  
Marrero, Louisiana

June 7, 2021

We have audited the accompanying financial statements of Marrero-Ragusa Volunteer Fire Company No. 3 (a Louisiana nonprofit corporation), which comprise the statements of financial position as of December 31, 2020 and 2019, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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 of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Marrero-Ragusa Volunteer Fire Company No. 3 as of December 31, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

## **Report on Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of compensation, benefits and other payments to agency head or chief executive officer on page 15 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated June 7, 2021 on our consideration of Marrero-Ragusa Volunteer Fire Company No. 3's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of our testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Marrero-Ragusa Volunteer Fire Company No. 3's internal control over financial reporting and compliance.



New Orleans, Louisiana

MARRERO-RAGUSA VOLUNTEER FIRE COMPANY NO. 3  
 STATEMENTS OF FINANCIAL POSITION  
DECEMBER 31, 2020 AND 2019

ASSETS

	<u>2020</u>	<u>2019</u>
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents	\$ 1,486,102	\$ 1,089,914
Prepaid expenses	<u>25,814</u>	<u>29,923</u>
Total current assets	1,511,916	1,119,837
Property and equipment, net of accumulated depreciation	<u>1,165,051</u>	<u>1,340,734</u>
<b>TOTAL ASSETS</b>	<b>\$ <u>2,676,967</u></b>	<b>\$ <u>2,460,571</u></b>

LIABILITIES AND NET ASSETS

<b>CURRENT LIABILITIES:</b>		
Accrued payroll and tax liabilities	\$ 50,110	\$ 34,072
Accrued interest payable	-	795
Compensated absences	39,572	48,722
Capital lease obligation	-	13,004
Current portion of note payable	<u>-</u>	<u>41,117</u>
Total current liabilities	<u>89,682</u>	<u>137,710</u>
<b>LONG-TERM LIABILITIES:</b>		
Note payable	<u>-</u>	<u>86,764</u>
Total long-term liabilities	<u>-</u>	<u>86,764</u>
Total liabilities	<u>89,682</u>	<u>224,474</u>
<b>Net Assets:</b>		
Without donor restrictions	<u>2,587,285</u>	<u>2,236,097</u>
Total net assets	<u>2,587,285</u>	<u>2,236,097</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ <u>2,676,967</u></b>	<b>\$ <u>2,460,571</u></b>

See accompanying notes.

MARRERO-RAGUSA VOLUNTEER FIRE COMPANY NO. 3  
STATEMENTS OF ACTIVITIES  
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
REVENUE:		
Contract revenue:		
Firefighting contract	\$ 2,400,000	\$ 2,400,000
Jefferson Parish insurance rebate	50,645	50,554
Jefferson Parish capital account	35,000	862,462
Jefferson Parish Cares Act funds	609,302	-
Insurance proceeds	567	95,598
Interest	5,223	15,671
Other	21,493	129,370
Gain on investments	-	15,825
Total revenues	<u>3,122,230</u>	<u>3,569,480</u>
EXPENSES:		
Program services - firefighting	2,605,464	2,754,531
Supporting services:		
Management and general	165,578	148,966
Total expenses	<u>2,771,042</u>	<u>2,903,497</u>
INCREASE IN NET ASSETS	351,188	665,983
NET ASSETS WITHOUT DONOR RESTRICTIONS - BEGINNING OF PERIOD	<u>2,236,097</u>	<u>1,570,114</u>
NET ASSETS WITHOUT DONOR RESTRICTIONS - END OF PERIOD	<u>\$ 2,587,285</u>	<u>\$ 2,236,097</u>

See accompanying notes.

MARRERO-RAGUSA VOLUNTEER FIRE COMPANY NO. 3  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Firefighting</u>	<u>Management and General</u>	<u>Total</u>
EXPENSES:			
Accounting and legal	\$ -	\$ 38,777	\$ 38,777
Arson investigation	1,923	-	1,923
Depreciation	170,994	4,689	175,683
Dues and subscriptions	-	3,550	3,550
Equipment	1,879	19,078	20,957
Fire Alarm	3,267	-	3,267
Fire station supplies	42,148	-	42,148
Fuel	10,969	-	10,969
Gear	25,483	-	25,483
Insurance	384,174	10,534	394,708
Interest	-	6,236	6,236
Medical	5,125	141	5,266
Office	-	29,563	29,563
Payroll taxes	123,626	6,743	130,369
Repairs - station and vehicles	140,432	-	140,432
Retirement contribution	41,163	1,129	42,292
Salaries and wages	1,575,775	43,459	1,619,234
Software	6,528	179	6,707
Telephone and utilities	54,707	1,500	56,207
Training and travel	165	-	165
Uniforms	17,106	-	17,106
	<u>                    </u>	<u>                    </u>	<u>                    </u>
TOTAL	<u>\$ 2,605,464</u>	<u>\$ 165,578</u>	<u>\$ 2,771,042</u>

See accompanying notes.

MARRERO-RAGUSA VOLUNTEER FIRE COMPANY NO. 3  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>Firefighting</u>	<u>Management and General</u>	<u>Total</u>
EXPENSES:			
Accounting and legal	\$ -	\$ 34,976	\$ 34,976
Arson investigation	4,173	-	4,173
Investment and bank fees	-	1,315	1,315
Contract work	-	112	112
Depreciation	155,315	5,283	160,598
Dues and subscriptions	-	1,887	1,887
Equipment	8,193	5,809	14,002
Fire alarm	5,475	-	5,475
Fire prevention	2,305	-	2,305
Fire station supplies	35,405	-	35,405
Fuel	14,821	-	14,821
Gear	11,253	-	11,253
Insurance	553,811	18,837	572,648
Interest	-	5,597	5,597
Medical	3,984	136	4,120
Meetings	-	962	962
Office	-	20,077	20,077
Payroll taxes	132,148	1,792	133,940
Repairs - station and vehicles	287,891	-	287,891
Retirement contribution	48,576	1,652	50,228
Salaries and wages	1,420,681	48,323	1,469,004
Software	11,741	399	12,140
Telephone and utilities	53,186	1,809	54,995
Training and travel	1,568	-	1,568
Uniforms	4,005	-	4,005
	<u>                    </u>	<u>                    </u>	<u>                    </u>
TOTAL	<u>\$ 2,754,531</u>	<u>\$ 148,966</u>	<u>\$ 2,903,497</u>

See accompanying notes.



MARRERO-RAGUSA VOLUNTEER FIRE COMPANY NO. 3  
 STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in net assets	\$ 351,188	\$ 665,983
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	175,683	160,598
Gain on investments	-	(15,825)
(Increase) decrease in prepaid expenses	4,109	(29,923)
Increase (decrease) in accrued payroll and tax liabilities	16,038	(10,586)
Decrease in interest payable	(795)	(4,359)
Increase (decrease) in compensated absences	(9,150)	3,131
Net cash provided by operating activities	<u>537,073</u>	<u>769,019</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Proceeds from investments	-	324,057
Acquisition of equipment	-	(877,506)
Net cash used by investing activities	<u>-</u>	<u>(553,449)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Loan payments	(127,881)	(41,117)
Capital lease payments	(13,004)	(29,916)
Net cash used by financing activities	<u>(140,885)</u>	<u>(71,033)</u>
<b>NET INCREASE IN CASH</b>	396,188	144,537
Cash at beginning of year	<u>1,089,914</u>	<u>945,377</u>
<b>CASH AT END OF YEAR</b>	<u>\$ 1,486,102</u>	<u>\$ 1,089,914</u>
<b>SUPPLEMENTAL DISCLOSURES:</b>		
Interest paid	<u>\$ 7,031</u>	<u>\$ 5,597</u>
Taxes paid	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes.

MARRERO-RAGUSA VOLUNTEER FIRE COMPANY NO. 3  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020 AND 2019

ORGANIZATION:

Marrero-Ragusa Volunteer Fire Company No. 3 (the Company) was established in 1954 to provide firefighting and rescue service to a designated area of the Eighth Fire District on the West Bank of Jefferson Parish, Louisiana (a separate entity). In addition, the Company provides fire code inspections for businesses within its district, as well as firefighting and rescue training for its members. The Company maintains three fire stations and has 37 paid employees and approximately 25 volunteers. The Company's main source of revenue is a fire protection contract with Jefferson Parish effective for the period June 1, 2004 through May 31, 2014. The contract was adopted by the Jefferson Parish Council on May 25, 2004 by resolution number 103561. The contract is currently operating on a month-to-month basis while negotiating a new contract with Jefferson Parish.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

A summary of the Company's significant accounting policies applied in the preparation of the accompanying financial statements follows:

Basis of Accounting and Financial Statement Presentation:

The financial statements are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

The fire department is required to report information regarding its financial position and activities according to two classes of net assets: net assets with donor restrictions and net assets without donor-imposed restrictions. Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Expirations of donor restrictions on net assets are reported as reclassifications between the applicable classes of net assets. As of December 31, 2020 and 2019, the fire department had only net assets without donor restrictions.

Allocation of Expenses:

The cost of providing programs and other activities have been summarized on a functional basis in the statement of activities and the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Expenses, which are easily and directly associated with firefighting or general and administrative, are charged directly to that functional area. Certain other expenses have been allocated to firefighting services and general and administrative based on time devoted by the fire department's staff.

General and administrative consists of general administrative expenses incurred.

MARRERO-RAGUSA VOLUNTEER FIRE COMPANY NO. 3  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020 AND 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Revenue:

Revenue consists primarily of appropriations of ad valorem taxes and fire insurance rebate funds received from the Eighth Fire Protection District. Marrero-Ragusa Volunteer Fire Company No. 3 receives a percentage of total funds available to the Eighth Fire Protection District based on the formula contained in a contract agreed to by all participating fire departments in the district. These revenues are reported on the accrual basis of accounting. Other sources of revenues would include fund raising, contributions, and interest. These other sources of revenue are recorded when received.

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*. This guidance outlines a single, comprehensive model for accounting for revenue from contracts with customers. The Company adopted the standard on July 1, 2019. The Company's program revenue is generated substantially from a fire protection contract with Jefferson Parish.

The Company analyzed the provisions of FASB's ASC Topic 606, *Revenue from Contracts with Customers*, and have concluded that no changes to their revenue recognition are needed to conform to the new standard. Revenue is recognized when monthly payments from Jefferson Parish are received.

Contributions:

During the year ended December 31, 2019, the Company adopted the requirements of ASU 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The update clarifies and improves guidance for contributions received and contributions made, and provides guidance to organizations on how to account for certain exchange transactions. Analysis of the provisions of this standard resulted in no significant changes in the way the company recognizes contributions, and therefore, no changes to the previously issued audited financial statements were required.

FASB ASC 958-605-10 provides that the value of donated services is to be recognized in financial statements if the services require specialized skills, are provided by persons possessing those skills, and the services would be purchased if they were not donated. The Company's volunteer firefighters undergo extensive specialized training, and the firefighting services would have to be purchased by the Company or Jefferson Parish if the services were not provided by volunteers.

Income Taxes:

The Company is exempt from income taxes under Internal Revenue Code Section 501(c)(4) as a nonprofit organization and, accordingly, the financial statements do not reflect a provision for income taxes.

MARRERO-RAGUSA VOLUNTEER FIRE COMPANY NO. 3  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020 AND 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Income Taxes: (Continued)

The Company's Federal Return of Organization Exempt from Income Tax (990) for 2020, 2019, 2018, and 2017 are subject to examination by the IRS, generally, for three years after they were filed.

Cash and Cash Equivalents:

For purposes of the Statement of Cash Flows, the Company considers cash in operating bank accounts, demand deposits, and cash on hand with a maturity of three months or less as cash and cash equivalents.

Property and Equipment:

Acquisitions of property and equipment in excess of \$5,000 and expenditures for repairs, maintenance, renewals and betterments that materially prolong the useful lives of assets are capitalized. Property and equipment are stated at acquisition cost, or estimated historical cost if acquisition cost is not available. Depreciation is provided for in amounts sufficient to relate the cost of depreciable property and equipment to operations over their estimated useful lives using the straight-line method.

Estimated useful lives of property and equipment are as follows:

Vehicles	5 - 7 years
Furniture and fixtures	3 - 10 years
Firefighting and rescue equipment	5 - 10 years
Buildings and improvements	7 - 35 years

Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

2. CASH:

At December 31, 2020 and 2019, the Company maintained cash balances in a local bank. The bank balances totaled \$1,526,798 and \$1,122,190 and the book balances totaled \$1,486,102 and \$1,089,914, respectively.

Bank balances were insured by federal deposit insurance through a promontory ICS sweep account.

MARRERO-RAGUSA VOLUNTEER FIRE COMPANY NO. 3  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020 AND 2019

3. PROPERTY AND EQUIPMENT:

Below is a summary of the Company's property and equipment at December 31, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Land	\$ 127,000	\$ 127,000
Parking lot	35,400	35,400
Buildings	374,532	374,532
Building improvements	176,760	176,760
Vehicles	1,487,102	1,487,102
Equipment	592,479	592,479
Communication equipment	195,170	195,170
Furniture and fixtures	20,899	20,899
	<u>3,009,342</u>	<u>3,009,342</u>
Less accumulated depreciation	(1,844,291)	(1,668,608)
Net property and equipment	<u>\$ 1,165,051</u>	<u>\$ 1,340,734</u>

Depreciation totaled \$175,683 and \$160,598 for the years ended December 31, 2020 and 2019, respectively.

4. DONATED SERVICES:

Amounts have not been reflected in the financial statements for donated services because the value of these services was not readily determinable. However, a substantial number of volunteers have donated significant amounts of their time in the Company's program services. All members of the Board of Directors serve without compensation.

5. COMPENSATED ABSENCES:

The Company's paid operators accrue vacation at varying rates based on their term of service. At December 31, 2020 and 2019, 18 and 21 employees had accumulated a total of \$39,572 and \$48,722, respectively, of unused vacation.

6. CAPITAL LEASE OBLIGATIONS:

On November 30, 2015, the Company signed financing lease-purchase agreements for two 2015 GMC Sierras. The lease obligations were amortized requiring six annual payments of \$8,367 and \$8,389 due January 14<sup>th</sup> of each year and included an interest charge of 4.70% per annum for each lease agreement.

MARRERO-RAGUSA VOLUNTEER FIRE COMPANY NO. 3  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020 AND 2019

6. CAPITAL LEASE OBLIGATIONS: (Continued)

The total cost of the leased vehicles financed by capital leases was \$100,538 and accumulated depreciation recorded for the vehicles financed by capital leases was \$100,538 and \$83,781, respectively, at December 31, 2020 and 2019. Depreciation expense reported in the Statement of Activities included \$16,756 for the vehicles under capital leases for each of the years ended December 31, 2020 and 2019.

During the year ended December 31, 2020, the Company paid the remaining balance and interest owed on the leases.

7. EMPLOYEE BENEFIT PLAN:

The Company has a 401(k) retirement plan for all eligible employees. Eligible employees must contribute up to 2% of their gross salary to be eligible for employer matching contributions. The Company may make a discretionary matching contribution equal to a percentage of salary deferrals. In addition, the Company is allowed to make a discretionary profit-sharing contribution for its eligible employees. The Company made an employer matching contribution up to 4% for all eligible employees. During the years ended December 31, 2020 and 2019, the Company contributed a total of \$42,292 and \$50,228, respectively, to the plan.

8. NOTE PAYABLE:

During the year ended December 31, 2013, the Company signed a governmental contract obligation with Republic First National Corporation to finance the purchase of a fire truck. The obligation is payable in 10 annual installments of \$45,757 each due on August 1<sup>st</sup> of each year and include an interest charge of 3.63% per annum. The obligation matures on August 1, 2022 and is secured by a Ferrara Custom Pumper. During the year ended, the Company paid off the remaining balance owed on the loan. The balance at December 31, 2020 and 2019 was \$-0- and \$127,881, respectively.

Interest expense was \$6,236 and \$5,597 for the years ended December 31, 2020 and 2019, respectively.

9. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS:

The following reflects the fire company's financial assets as of the statement of financial position date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the statement of financial position date. Amounts available include donor restricted amounts that are available for general expenditure in the following year.

MARRERO-RAGUSA VOLUNTEER FIRE COMPANY NO. 3  
 NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020 AND 2019

9. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS: (Continued)

	<u>2020</u>	<u>2019</u>
Financial assets, at year end:		
Cash	<u>\$ 1,486,102</u>	<u>\$ 1,089,914</u>
 Total financial assets at year end	 <u>1,486,102</u>	 <u>1,089,914</u>
 Financial assets available to meet cash needs for general expenditures within one year	 <u>\$ 1,486,102</u>	 <u>\$ 1,089,914</u>

10. EXPENSES PAID BY OTHERS:

The full-time firefighters of the Company receive supplemental pay from the State of Louisiana under the provisions of L.R.S. 33:2002. The amount of pay received varies based on years of service. As these supplemental state funds are paid directly to the firefighters, and do not pass through the Company, they are not included in these financial statements.

11. ECONOMIC DEPENDENCY, FIRE PROTECTION CONTRACT:

Substantially all of the Company's public support is derived from funds provided by Jefferson Parish. The Company has a contract with Jefferson Parish, effective June 1, 2004 through May 31, 2014, under which the Company receives one-third of certain ad valorem taxes assessed within the Eighth Fire Protection District of Jefferson Parish, as well as additional funding from sales taxes and fire insurance rebates. Management is not aware of any plans on the part of Jefferson Parish to terminate the contract. The contract is currently on a month-to-month basis and is in the process of being renewed with Jefferson Parish.

Amounts received from ad valorem taxes through the Jefferson Parish contract were \$2,400,000 for each of the years ended December 31, 2020 and 2019. Fire insurance rebates received through the Jefferson Parish contract were \$50,645 and \$50,554 for the years ended December 31, 2020 and 2019, respectively.

As part of the contract with Jefferson Parish, the Company is provided funds to purchase firefighting equipment. For the years ended December 31, 2020 and 2019, the Company received \$35,000 and \$862,462, respectively, as indirect support used to purchase firefighting equipment. Once the useful life of the asset is exhausted, the asset is turned over to the Parish for sale or disposal.

During the year ended December 31, 2020, the Company received additional amounts from Jefferson Parish totaling \$609,302, representing a share of CARES Act money received by the Parish as a result of the COVID-19 pandemic.

MARRERO-RAGUSA VOLUNTEER FIRE COMPANY NO. 3  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020 AND 2019

12. UNCERTAINTIES:

In March 2020, the World Health Organization declared the outbreak of a novel coronavirus disease (COVID-19) as a global pandemic. We expect that this matter may continue to negatively impact the results of our operations and financial position. The related financial impact, if any, cannot be reasonably estimated at this time.

13. DATE OF MANAGEMENT'S REVIEW:

Subsequent events have been evaluated by management through June 7, 2021, which is the date that the financial statements were available to be issued.



MARRERO-RAGUSA VOLUNTEER FIRE COMPANY NO. 3  
SUPPLEMENTARY INFORMATION  
SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS  
TO AGENCY HEAD OR CHIEF EXECUTIVE OFFICER  
DECEMBER 31, 2020

Agency Head Name: Rickie Eslick Sr., Fire Chief (January 2020 – March 2020)

<b>Purpose</b>	<b>Amount</b>
Salary	\$ 40,496
Benefits - insurance	3,084
Benefits - retirement	<u>493</u>
Total	<u>\$ 44,073</u>

Agency Head Name: David Ducombs, Fire Chief (March 2020 – December 2020)

<b>Purpose</b>	<b>Amount</b>
Salary	\$ -
Benefits - insurance	-
Benefits - retirement	<u>-</u>
Total	<u>\$ -</u>



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

June 7, 2021

To the Board of Directors  
Marrero-Ragusa Volunteer Fire  
Company No. 3  
Marrero, 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 Marrero-Ragusa Volunteer Fire Company No. 3 (a Louisiana nonprofit organization), which comprise the statement of financial position as December 31, 2020, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated June 7, 2021.

### Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Marrero-Ragusa Volunteer Fire Company No. 3's (the Company) internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we do not express an opinion on the effectiveness of the Company's internal control.

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A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Marrero-Ragusa Volunteer Fire Company No. 3's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Company'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 Company's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

  
New Orleans, Louisiana

MARRERO-RAGUSA VOLUNTEER FIRE COMPANY, NO. 3  
SCHEDULE OF CURRENT YEAR FINDINGS  
FOR THE YEAR ENDED DECEMBER 31, 2020

SUMMARY OF AUDITOR'S RESULTS:

1. The opinion issued on the financial statements of Marrero-Ragusa Volunteer Fire Company No. 3 for the year ended December 31, 2020 was unmodified.
2. Internal Control  
Material weaknesses: None noted  
Significant deficiencies: None noted
3. Compliance and Other Matters  
Noncompliance material to financial statements: None noted

FINDINGS REQUIRED TO BE REPORTED UNDER GOVERNMENTAL AUDITING  
STANDARDS GENERALLY ACCEPTED IN THE UNITED STATES OF AMERICA:

None noted

MARRERO-RAGUSA VOLUNTEER FIRE COMPANY, NO. 3  
STATUS OF PRIOR YEAR FINDINGS  
FOR THE YEAR ENDED DECEMBER 31, 2020

STATUS OF PRIOR YEAR FINDING:

2019-01 Journal Entries

Condition and Criteria

Journal entries were required for financial statement misstatements related to accrued payroll, notes payable, and fixed asset accounts. Generally accepted auditing standards consider year-end adjusting entries prepared by the auditor to be a significant deficiency in internal control. This was resolved during the year ended December 31, 2020.