

**GRAND ISLE
VOLUNTEER FIRE COMPANY NO. 1
(GIVFD)
d/b/a
FIRE PROTECTION DISTRICT NO. 9
OF JEFFERSON PARISH**

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

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FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

To the President and Board of
Grand Isle Volunteer Fire Company No. 1 (GIVFD)
Grand Isle, Louisiana

Report on the Financial Statements

I have audited the accompanying financial statements of the governmental activities and each major fund (i.e., the General Fund) of Grand Isle Volunteer Fire Company No. 1 ("GIVFD"), a non-profit entity d/b/a Fire Protection District No. 9 of Jefferson Parish, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise GIVFD's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

My responsibility is to express opinions on these basic financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

Opinions

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

Other Matters

Required Supplementary Information

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


Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued a report dated April 28, 2021, on my consideration of GIVFD's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering GIVFD's internal control over financial reporting and compliance.



April 28, 2021
Gretna, Louisiana

GRAND ISLE VOLUNTEER FIRE COMPANY NO. 1 (“GIVFD”)
PO BOX 550
GRAND ISLE, LA 70358

MANAGEMENT’S DISCUSSION AND ANALYSIS

As management of Grand Isle Volunteer Fire Company No. 1 (“GIVFD”), a non-profit entity d/b/a Fire Protection District No. 9 of Jefferson Parish, we offer readers of GIVFD’s financial statements this narrative overview and analysis of the financial activities of GIVFD for the fiscal year ended December 31, 2020. We encourage readers to consider the information presented here in conjunction with the financial statements, which begin on page 14.

FINANCIAL HIGHLIGHTS

- The assets of GIVFD exceeded its liabilities at the close of the most recent fiscal year by \$322,206 (*Net Position*). Of this amount, \$367,236 or 114.0 percent is invested in capital assets, such as building, vehicles and firefighting equipment, net of any related debt. The remaining balance (deficit) of \$(45,030) (*Unrestricted Net Position*) or (14.0) percent represents the amount available to meet the entity’s ongoing obligations to citizens and creditors.
- GIVFD’s total Net Position decreased by \$(229,979) or 41.6 percent during the current year because total expenses exceeded revenues by that amount. The majority of the decrease is due to a drop in revenues (mostly in intergovernmental revenues and operating grants).
- As of the close of the current fiscal year, GIVFD’s governmental fund (the General Fund) reported a deficit in its fund balance of \$(45,030), a decrease of \$(205,988) or 128.0 percent in comparison with the prior year. The primary reason for the decrease was the decrease in governmental revenues (a drop in funds from GIVES and a drop in fund from the Parish millage). GIVFD’s management is working with the Parish to obtain some surplus millage money that the Parish has on hand but has not yet remitted to GIVFD. It is hoped that the release of these funds will eliminate the deficit fund balance and provide sufficient funds to meet continuing operating costs in the future.
- GIVFD has a cooperative agreement with the Grand Isle Volunteer Emergency Services, Inc. (GIVES) (i.e., the ambulance district) for it to provide GIVES with administrative and operating support. All of the employees of GIVES were transferred to GIVFD in prior years. GIVES paid GIVFD \$416,731 during the year under this agreement, which was 85.0 percent of its millage collection.
- GIVFD had \$-0- in outstanding debt at year end.
- GIVFD is still feeling the effects of Hurricanes Katrina, Rita, Gustav, Ike, and others. Project worksheets continue to be worked through and reimbursements and costs continue. During 2020, FEMA continued to work on old outstanding project worksheets. There is still \$169,385 recognized in deferred revenues awaiting closure from FEMA.
- In the spring of 2020, the COVID-19 pandemic came to the Jefferson Parish area, resulting in health issues, stay-at-home orders, and economic instability in the region. Subsequent to year end, GIVFD’s management continues to monitor the situation.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to GIVFD's basic financial statements. GIVFD'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 GIVFD's finances, in a manner similar to a private-sector business.

The "Statement of Net Position" presents information on all of GIVFD'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 GIVFD 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 GIVFD 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 GIVFD only has governmental activities.

The government-wide financial statements include only the financial activities of GIVFD, which are made up of the "private" account and the "public funds" account. The government-wide financial statements can be found on pages 14 and 15 of this report.

Fund financial statements. A "fund" is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. GIVFD, 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.

GIVFD's funds can be classified into three categories: governmental funds, proprietary funds, and fiduciary funds. As discussed below, GIVFD 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".

GIVFD 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.

GIVFD 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 16 to 19 of this report.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 21 to 32 of this report.

Other information. Supplemental Information includes individual fund statements and schedules, which show additional detailed financial information on the General Fund, are found on pages 34 and 35. It also includes a Schedule of Compensation, Benefits and Payments to the Agency Head is found on pages 36.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, Net Position may serve over time as a useful indicator of a government’s financial position. In the case of GIVFD, assets exceeded liabilities by \$332,206 at December 31, 2020, a decrease of \$(229,979) or 41.6 percent.

A large portion of GIVFD’s Net Position (\$367,236 or 114.0 percent) reflects its investment in capital assets (e.g., land, buildings, furniture and fixtures, vehicles and firefighting equipment); less any related debt used to acquire those assets that is still outstanding. GIVFD used these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although GIVFD’s investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other resources, since the capital assets themselves cannot be used to liquidate these liabilities.

Below is a comparison of GIVFD’s Statement of Net Position for 2020 and 2019.

GRAND ISLE VOLUNTEER FIRE COMPANY NO. 1

	Governmental Activities 2020		Governmental Activities 2019		
Current and other assets	\$	148,685	\$	368,508	
Capital assets		367,236		391,227	
Total assets		<u>515,921</u>		<u>759,735</u>	
Long-term liabilities outstanding		0		0	
Other liabilities		193,715		207,550	
Total liabilities		<u>193,715</u>		<u>207,550</u>	
Net assets:					
Invested in capital assets, net of related debt		367,236	114.0%	391,227	70.9%
Restricted		0	0.0%	0	0.0%
Unrestricted		(45,030)	-14.0%	160,958	29.1%
Total net assets	\$	<u>322,206</u>		<u>552,185</u>	

The balance of *Unrestricted Net Position* is a deficit of \$(45,030) or (14.0) percent at December 31, 2020.

At December 31, 2020, GIVFD is able to report positive fund balances in only two of the three categories of Net Position.

GIVFD’s Net Position decreased by \$(229,979) or 41.6 percent during the current fiscal year.

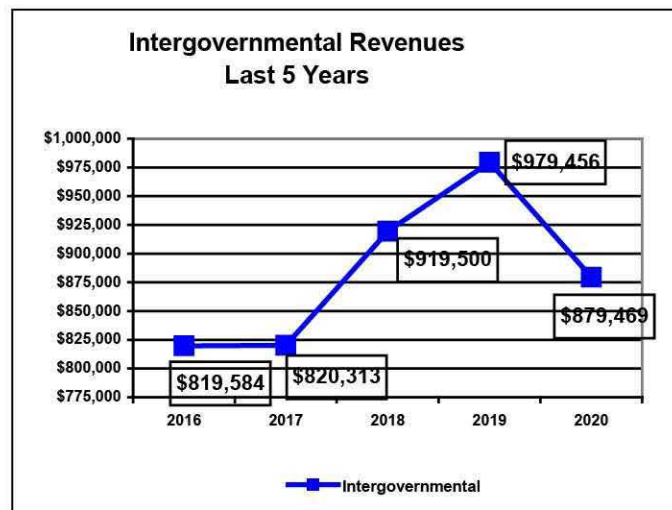
Governmental Activities. During 2020, governmental activities decreased GIVFD's Net Position by \$(229,979). Key elements of this decrease are shown below as compared to 2019.

GRAND ISLE VOLUNTEER FIRE COMPANY NO. 1

	Governmental Activities 2020		Governmental Activities 2019	
Revenues:				
Program revenues:				
Charges for services	\$ -	0.0%	\$ -	0.0%
Operating grants and contributions	416,731	31.3%	449,132	29.8%
Capital grants and contributions	-	0.0%	-	0.0%
General revenues:				
Intergovernmental	879,469	66.1%	979,456	65.0%
Unrestricted interest	273	0.0%	471	0.0%
Gain (loss) on sale of equipment	-	0.0%	-	0.0%
Unrestricted gifts and donations	-	0.0%	-	0.0%
Miscellaneous	34,209	2.6%	78,227	5.2%
Total revenues	<u>1,330,682</u>	<u>100.0%</u>	<u>1,507,286</u>	<u>100.0%</u>
Expenses:				
Public Safety	1,560,661	100.0%	1,545,108	100.0%
Total expenses	<u>1,560,661</u>	<u>100.0%</u>	<u>1,545,108</u>	<u>100.0%</u>
Increase in net position	(229,979)		(37,822)	
Net position - Beginning of year	552,185		590,007	
Net position - end of year	<u>\$ 322,206</u>		<u>\$ 552,185</u>	

- Operating grants of \$416,731 represent the proceeds from a cooperative agreement with the Grand Isle Volunteer Emergency Services, Inc. (GIVES). Under the agreement with GIVES, all of the employees of GIVES were transferred to GIVFD back in 2007 and GIVFD now provides GIVES with administrative and operating support. GIVES reimburses GIVFD up to 85.0 percent of the proceeds of the money it receives from the Parish to operate an ambulance district within the Town boundaries. During 2020, GIVES paid GIVFD \$416,731, a decrease of \$(38,249). The decrease was due to GIVES receiving a one-time surplus payment in the prior year and remitting 85.0 percent of that millage money to GIVFD. This did not recur in 2020. The monthly millage allocation received from the Parish did not increase in 2020. Also in 2019, FEMA revenues total \$(5,848) as FEMA/GOHSEP made adjustments and disallowances of some previously allowed disaster claims. This did not recur in 2020.

- Intergovernmental revenues come from the Parish of Jefferson and the State. The Parish levies an ad valorem tax in Grand Isle and remits a certain amount to GIVFD each month to provide funding to the Fire District. For 2020, the millage rate levied was 21.10 mills (the same as last year). This allocation came in at \$870,000 for 2020 and \$970,000 for 2019. The decrease had to do with a one-time surplus payment received from the Parish in the prior year which did not recur in 2020. The monthly allocation from the Parish remained the same as 2019.

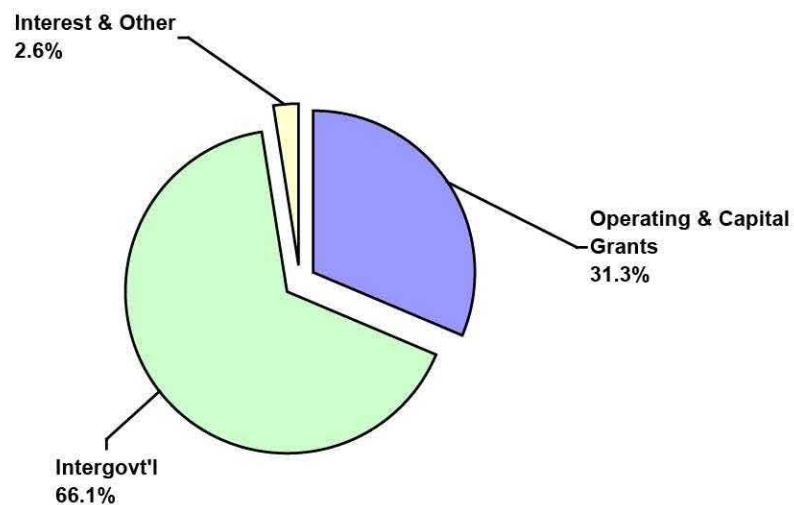


The State also remits a fire insurance rebate to each fire company. For 2020 and 2019, this amount was \$9,469 and \$9,456, respectively. The graph above shows the amount of intergovernmental revenues received by GIVFD over the past five years.

- Miscellaneous income totaled \$34,209 in 2020 and \$78,227 in 2019, mostly dividends from LWCC on workers compensation program (\$34,209 in 2020 and \$75,702 in 2019).

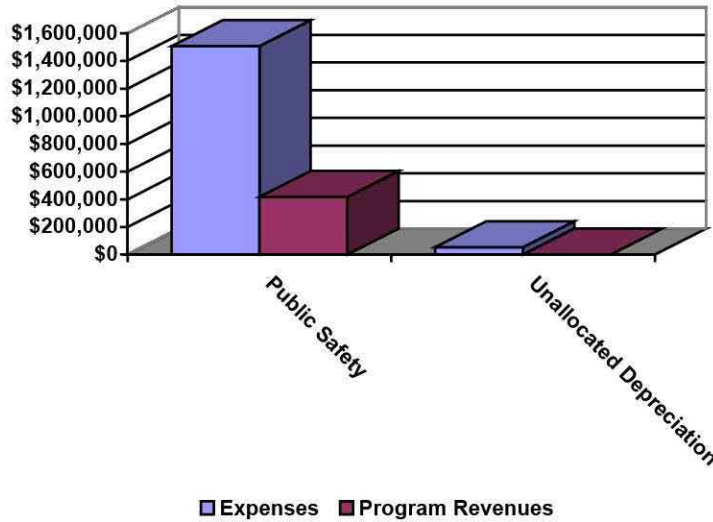
A breakdown of the revenues received by GIVFD's governmental activities is as follows:

Revenues by Source - Governmental Activities



Expenses totaled \$1,560,661, including current year depreciation of \$54,231. As a fire district, the only function GIVFD provides is the public safety function. These expenses of GIVFD were offset by program revenues (service charges and grants) totaling \$416,731 (see above), leaving a net revenue (cost) to citizens of GIVFD of \$(1,143,930). The cost is primarily funded by the general revenues discussed above. A graph comparing the expenses with the program revenue generated is presented below.

Expenses and Program Revenues By Function



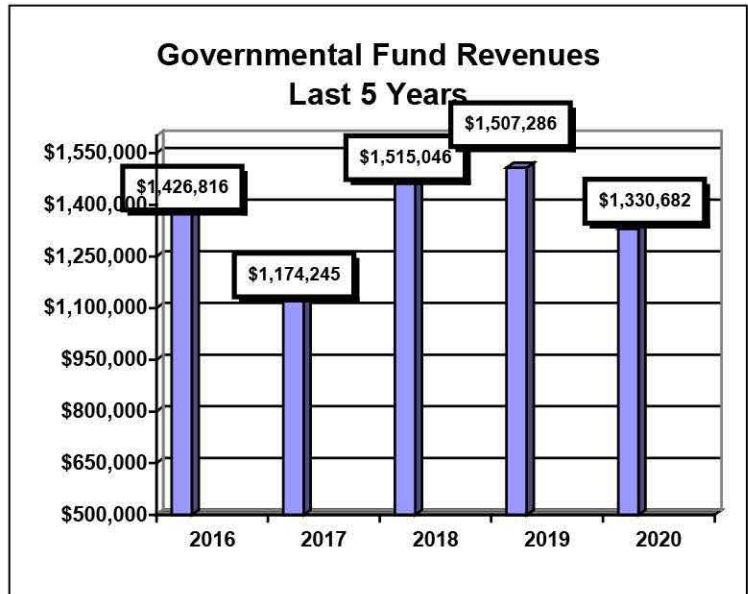
FINANCIAL ANALYSIS OF THE GOVERNMENT’S FUNDS

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

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

As of December 31, 2020, GIVFD’s governmental fund (i.e., the General Fund) reported a deficit in ending fund balance of \$(45,030), a decrease of \$(205,988) or 128.0 percent in comparison with the prior year. This change was caused by a number of factors, which are discussed below.

As noted above, the governmental funds include the general operating funds of GIVFD (i.e., the General Fund). Overall, as the graph shows, revenues of the Governmental Funds increased and decreased greatly over the past years. Because of the small size of the operating fund, operating and capital grants can create large swings in revenues when recognized.



This is especially true since the hurricanes in 2005 and 2008, as well as the oil spill in 2010. The millage allocation from the Parish brought in \$870,000, which was \$100,000 less than last year. This decrease resulted from the Parish keeping the monthly allocation the same as last year despite GIVFD asking for a budget increase. Last year's revenues also included a one-time surplus allocation of millage money that did not recur in 2020. The Parish has millage money in excess of its required reserves on hand; however, it has not allocated those funds to GIVFD as of yet. The cooperative agreement with Grand Isle Volunteer Emergency Services (GIVES) to provide administrative support brought in \$416,731 in 2020 (down \$38,249 due to the non-recurrence of a one-time millage surplus in the prior year). Adjustments to the FEMA grants resulted in prior year revenues of \$(5,848). There were no FEMA revenues recognized in 2020.

Miscellaneous income totaled \$34,209 in 2020 (down \$44,018). This amount is primarily made up of dividends from the workman's compensation carrier (LWCC). The 2020 dividends totaled \$34,209 and was \$75,702 in 2019. LWCC made two dividend disbursements in 2019 due to surplus funds. This did not recur in 2020.

As a measure of the General fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents -0- percent of total general fund expenditures. This is a decrease from the 6.3 percent noted last year.

The fund balance of GIVFD's General fund decreased by \$(205,988) during the current fiscal year. Key factors in this change are as follows:

- The General Fund's revenues totaled \$1,330,682, while expenditures totaled \$1,536,670.
- Revenues were made up of:
 - Intergovernmental revenues included \$9,469 of state fire insurance rebates.
 - Intergovernmental revenues also included an allocation from Jefferson Parish (i.e., Property taxes) totaling \$870,000, which is \$100,000 less than 2019. The number of mills levied on the 2019 tax roll was 21.10 (which is the same as the prior year).
 - Intergovernmental revenues also included \$416,731 from the cooperative agreement with the Grand Isle Volunteer Emergency Services to provide administrative support to the ambulance department. This amount increased from last year. GIVES was able to remit 85.0 percent of its millage to GIVFD to cover costs.
 - Intergovernmental revenues included \$-0- from FEMA, as adjustments and disallowances from previous claims were posted to the accounts. This is a change of \$5,848 over last year.
 - Miscellaneous revenues total \$34,209, including \$34,209 of LWCC dividends.
- Expenditures totaled \$1,536,670, as follows:
 - Personnel and related costs totaled \$1,358,539 or 88.4 percent of expenditures – salaries amounted to \$1,030,273 and benefits totaled \$328,266. This category increased \$83,807 or 6.6 percent from 2019. Most of the increase relates to regular salaries (up \$32,718), medics salaries (up \$5,756), overtime (up \$35,500), payroll taxes (up \$10,139), and group health insurance (up \$3,554), offset by a slight drop in retirement (down \$(3,129) and workman's compensation (down \$(1,521)). Salaries were up due to small raises and two new employees hired late last year who saw a full year of duty in 2020. Overtime was up due to unfilled shifts being filled by rank employees. Payroll taxes were up due to the increase in salaries and group health insurance was up due to small premium increases, as well as adding the two new employees to the plan. Retirement was down due to GIVFD failing to calculate and remit the employer match on the 401K plan contributions in 2020.
 - General and administrative costs totaled \$100,120 or 6.5 percent of expenditures – insurance was \$54,897, station groceries and supplies were \$13,655, bookkeeping and audit fees totaled \$8,250, electricity was \$7,059, office supplies totaled \$3,658, phones were \$3,481, cable and internet access totaled \$3,400, and alarm monitoring costs were \$3,002.

In total, this category decreased \$(21,850) or 17.9 percent from last year. Insurance was up \$10,126 (mostly due to adding the new boat to the policy), utilities were down \$(8,592), phones were down \$(7,537), contracted services – other was down \$(5,876) (due to costs associated with the Firehouse software), and conferences and conventions were down \$(8,220) as no employees attended out of town conferences in 2020 due to GOVID-19 restrictions, and station groceries and supplies were down \$(3,622).

- Emergency training and supplies totaled \$27,914 or 1.8 percent of expenditures. This category included firefighting supplies of \$8,776, fire training materials of \$6,417, gas and oil for vehicles of \$6,149, uniforms and shirts of \$1,871, and medical supplies of \$1,738. In total, the category was down \$(23,538), due mainly to a decrease in firefighting supplies (down \$(28,702) as new bunker gear was purchased in the prior year for the station). Also, training costs were up \$5,909 as in-house course materials were purchased due to COVID-19 restrictions.
- Repairs and maintenance totaled \$19,586 or 1.3 percent of expenditures. Repairs to the fire trucks came in at \$13,434, repairs to buildings amounted to \$5,218, and repairs to radios and equipment totaled \$934. In total, this category was down \$(30,775), made up mostly of a decrease in building repairs of \$(21,204) and a drop in vehicle repairs of \$(8,978). Building repairs were down because last year’s costs included emergency repairs to the HVAC system and the generator. These costs did not recur in 2020. Vehicle repairs were down since some major preventive maintenance performed last year was not repeated in the current year.
- Capital outlays totaled \$30,240 or 2.0 percent. This included the purchase of a new extraction tools to use in severe wrecks.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets. GIVFD’s net investment in capital assets for its governmental activities as of December 31, 2020 amounts to \$367,236 (net of accumulated depreciation and related debt). This investment in capital assets includes land, buildings, furniture and fixtures, heavy equipment, and vehicles. GIVFD’s investment in capital assets decreased by \$(23,991) or 6.1 percent this year.

Major capital asset events during the current fiscal year included the following:

- \$30,240 was spent the purchase of new extraction tools.
- \$54,231 was recognized as depreciation expense.

**GRAND ISLE VOLUNTEER FIRE COMPANY NO. 1
CAPITAL ASSETS
(NET OF DEPRECIATION)**

	Governmental Activities 2020	Governmental Activities 2019
Land	\$ 39,800	\$ 39,800
Buildings	73,237	85,567
Furniture and fixtures	13,344	15,317
Vehicles and firefighting equipment	240,855	250,543
Total	<u>367,236</u>	<u>391,227</u>
Capital-related debt	-	-
Net Investment	<u>\$ 367,236</u>	<u>\$ 391,227</u>

Additional information on GIVFD's capital assets can be found in Note D.3 on page 28.

ECONOMIC FACTORS AND NEXT YEAR'S RATES

- The unemployment rate for the Parish of Jefferson at December 31, 2020 is 7.60 percent, which is 3.50 percent higher than it was a year ago. The unemployment rate in the New Orleans MSA area is typically a little higher than both the state and federal levels due to a heavier reliance on the oil industry, seafood industry and tourism. The COVID-19 pandemic has also played havoc on the local economy, with many businesses being closed or limited in their capacity to operate.
- Inflationary trends in the region compare favorably to national indices.
- The ad valorem millage was renewed by a popular vote in April 2011 and now has a maximum authorized rate of 20.00 mills. Due to mandated "roll-forwards", the maximum rate is now adjusted to 21.10 mills. For the 2020 tax roll (taxes collected in 2021), the Parish levied 20.96 mills, which is slightly lower due to a roll-back of the millage rate. Despite the lower rate, the revenues are expected to remain at or about the same next year.
- In November 2018, the citizens approved a renewal of the ad valorem millage that supports this fire district at a rate of 21.10 mills. This new millage will be in effect for 10 years beginning with the 2021 tax roll.
- GIVFD's management continues to monitor the effects of the COVID-19 pandemic on the local community and is also monitoring its continuing cash flows and financial stability.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of GIVFD'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 Grand Isle Volunteer Fire Company, No. 1, President, PO Box 550, Grand Isle, Louisiana 70358.

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BASIC FINANCIAL STATEMENTS

GRAND ISLE VOLUNTEER FIRE COMPANY NO. 1
d/b/a
FIRE PROTECTION DISTRICT NO. 9 OF JEFFERSON PARISH

STATEMENT OF NET POSITION
DECEMBER 31, 2020

	<u>GOVERNMENTAL ACTIVITIES</u>	
ASSETS		
Cash and cash equivalents	\$	129,215
Receivables (net of allowance for uncollectibles)		19,470
Other assets - prepaid items		-
Capital assets (net of accumulated depreciation)		
Land	\$ 39,800	
Buildings	73,237	
Furniture and fixtures	13,344	
Heavy equipment	-	
Vehicles and firefighting equipment	240,855	
Infrastructure	-	
Construction in progress	-	367,236
		<u>515,921</u>
TOTAL ASSETS		
LIABILITIES		
Accounts payable and other current liabilities		9,508
Accrued payroll and deductions		14,822
Unearned grant revenues		169,385
Noncurrent liabilities:		
Due within one year		-
Due in more than one year		-
		<u>193,715</u>
TOTAL LIABILITIES		
NET POSITION		
Net investment in capital assets		367,236
Restricted for:		
Debt service		-
Other		-
Unrestricted		(45,030)
		<u>\$ 322,206</u>
TOTAL NET POSITION		

The accompanying notes are an integral part of this statement.

GRAND ISLE VOLUNTEER FIRE COMPANY NO. 1
d/b/a
FIRE PROTECTION DISTRICT NO. 9 OF JEFFERSON PARISH

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2020

FUNCTION	EXPENSES	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS PRIMARY GOVERNMENT GOVERNMENTAL ACTIVITIES
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	
Primary Government					
Governmental Activities:					
Public Safety	\$ 1,506,430	\$ -	\$ 416,731	\$ -	\$ (1,089,699)
Unallocated depreciation expense	54,231	-	-	-	(54,231)
Interest on long-term debt	-	-	-	-	-
Total governmental activities	<u>\$ 1,560,661</u>	<u>\$ -</u>	<u>\$ 416,731</u>	<u>\$ -</u>	<u>(1,143,930)</u>
GENERAL REVENUES:					
					870,000
					9,469
					273
					-
					-
					34,209
TRANSFERS IN (OUT)					-
TOTAL GENERAL REVENUE AND TRANSFERS					<u>913,951</u>
CHANGE IN NET POSITION					(229,979)
NET POSITION					
					552,185
					<u>\$ 322,206</u>

The accompanying notes are an integral part of this statement.

GRAND ISLE VOLUNTEER FIRE COMPANY NO. 1
d/b/a
FIRE PROTECTION DISTRICT NO. 9 OF JEFFERSON PARISH

GOVERNMENTAL FUNDS
BALANCE SHEET
DECEMBER 31, 2020

	<u>General Fund</u>
ASSETS	
Cash and cash equivalents	\$ 129,215
Accounts Receivable	19,470
Prepaid items	-
TOTAL ASSETS	<u>\$ 148,685</u>
 LIABILITIES AND FUND BALANCE	
Liabilities:	
Accounts payable	\$ 9,508
Salaries and related taxes payable	14,822
Unearned grant revenues	169,385
Total Liabilities	<u>193,715</u>
Fund Balance	
Non-spendable	-
Restricted	-
Committed	-
Assigned	-
Unassigned	(45,030)
Total Fund Balance	<u>(45,030)</u>
 TOTAL LIABILITIES AND FUND BALANCES	 <u>\$ 148,685</u>

The accompanying notes are an integral part of this statement.

GRAND ISLE VOLUNTEER FIRE COMPANY NO. 1
d/b/a
FIRE PROTECTION DISTRICT NO. 9 OF JEFFERSON PARISH

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

Amounts reported for governmental activities in the Statement of Net Position (page 13) are different because:

Total Fund Balances at December 31, 2020 - Governmental Funds (page 16)	\$ (45,030)
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets is \$1,591,555 and the accumulated depreciation is \$1,224,319.	367,236
Long-term liabilities, including compensated absences, are not due and payable in the current period and therefore are not reported in the funds. Long-term liabilities at year-end consist of:	
Notes Payable	-
Capital Leases Payable	-
Total Net Position of Governmental Activities at December 31, 2020 (page 14)	<u>\$ 322,206</u>

The accompanying notes are an integral part of this statement.

GRAND ISLE VOLUNTEER FIRE COMPANY NO. 1
d/b/a
FIRE PROTECTION DISTRICT NO. 9 OF JEFFERSON PARISH

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

	<u>General Fund</u>
REVENUES	
Intergovernmental	\$ 1,296,200
Service charges and reimbursements	-
Donations and gifts	-
Interest	273
Miscellaneous	34,209
TOTAL REVENUES	<u>1,330,682</u>
EXPENDITURES	
Current	
Public Safety	
Personnel and related costs	1,358,539
General and administrative costs	100,120
Emergency training and supplies	27,914
Repairs and maintenance	19,586
Miscellaneous	271
Capital outlay	30,240
Debt Service	
Principal	-
Interest	-
TOTAL EXPENDITURES	<u>1,536,670</u>
EXCESS OF REVENUES OVER EXPENDITURES	(205,988)
OTHER FINANCING SOURCES	
Capital lease	-
Loan proceeds	-
EXCESS (DEFICIENCY) OF REVENUES AND	
OTHER FINANCING SOURCES OVER EXPENDITURES	<u>(205,988)</u>
FUND BALANCE	
Beginning of year	160,958
End of year	<u>\$ (45,030)</u>

The accompanying notes are an integral part of this statement.

GRAND ISLE VOLUNTEER FIRE COMPANY NO. 1
d/b/a
FIRE PROTECTION DISTRICT NO. 9 OF JEFFERSON PARISH

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

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

Net change in fund balances - total governmental funds (page 18)	\$ (205,988)
--	--------------

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.	(23,991)
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The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase net assets.	-
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The issuance of long-term debt (e.g., notes payable, leases) provides current financial resources to the governmental funds, while the repayment of the principal on long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. This amount is the net effect of these differences in the treatment of long-term debt and related items.	-
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Change in net position of governmental activities (page 15)	<u>\$ (229,979)</u>
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The accompanying notes are an integral part of this statement.

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GRAND ISLE VOLUNTEER FIRE COMPANY NO. 1 (GIVFD)
d/b/a
FIRE PROTECTION DISTRICT NO. 9 OF JEFFERSON PARISH
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Grand Isle Fire Company No. 1 (GIVFD), a non-profit entity d/b/a Fire Protection District No. 9 of Jefferson Parish, have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units under the legal premise that GIVFD 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 GIVFD’s accounting policies are described below.

1. Reporting Entity

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

Fire District No.9 of Jefferson Parish (the “District”) was created by Parish Ordinance to provide fire protection services to the citizens of the Town of Grand Isle and the surrounding area. The District is currently funded by a 20 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 are contracted out to Grand Isle Volunteer Fire Company No. 1 (GIVFD). GIVFD was incorporated on April 25, 1969 as a non-profit service corporation under Section 501(c) (3) of the Internal Revenue Code. GIVFD 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). GIVFD is governed by a President and a 5 member Board of Directors which are elected by the membership. The accompanying statements report transactions related only to those of GIVFD.

GRAND ISLE VOLUNTEER FIRE COMPANY NO. 1 (GIVFD)
d/b/a
FIRE PROTECTION DISTRICT NO. 9 OF JEFFERSON PARISH
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 2020

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2. Government-wide and Fund Financial Statements

Government-wide Financial Statements

The government-wide financial statements (i.e., the statement of Net Position and the Statement of Activities) report information on all of the non-fiduciary activities of GIVFD. 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 GIVFD's operations, GIVFD reports only governmental activities.

The Statement of Activities demonstrates the degree to which the direct expenses 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 GIVFD 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 GIVFD 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.

GRAND ISLE VOLUNTEER FIRE COMPANY NO. 1 (GIVFD)
d/b/a
FIRE PROTECTION DISTRICT NO. 9 OF JEFFERSON PARISH
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 2020

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

GIVFD reports the following major governmental funds:

The *General Fund* is the general operating fund of GIVFD. 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” (i.e., tax allocation funds) account.

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. Budgets

As a quasi-public corporation, GIVFD 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 Equity

A. *Cash and Investments*

For reporting purposes, cash and cash equivalents includes amounts in demand deposits, time deposits, and certificates of deposit. This includes the balances in the “private” account, as well as the “public funds” account.

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.

GRAND ISLE VOLUNTEER FIRE COMPANY NO. 1 (GIVFD)
d/b/a
FIRE PROTECTION DISTRICT NO. 9 OF JEFFERSON PARISH
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 2020

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Inventories

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

C. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental activities column in the government-wide financial statements. Capital assets are defined by GIVFD as assets with an initial, individual cost of more than \$250 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	20
Furniture and fixtures	3 to 5
Vehicles and firefighting equipment	5 to 10
Infrastructure (if any)	40

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. 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 GIVFD 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.

GRAND ISLE VOLUNTEER FIRE COMPANY NO. 1 (GIVFD)
d/b/a
FIRE PROTECTION DISTRICT NO. 9 OF JEFFERSON PARISH
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 2020

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

6. Use of Estimates

Preparation of financial statements in accordance with generally accepted accounting principles requires GIVFD 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

GIVFD has evaluated subsequent events through April 28, 2021, the date the financial statements were available to be issued.

8. Expenses Paid by Others

The full-time firefighters of GIVFD that meet certain qualifications, receive supplemental pay from the State of Louisiana under the provisions of LRS 33:2202. The amount of pay received as these supplemental state funds are paid directly to the firefighters and are not reflected in these statements.

9. 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/paramedics. These amounts are not readily determinable.

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

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

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net changes in fund balances - total governmental funds* and *changes in net position of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that "Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense." The details of this \$(23,991) difference are as follows:

GRAND ISLE VOLUNTEER FIRE COMPANY NO. 1 (GIVFD)
d/b/a
FIRE PROTECTION DISTRICT NO. 9 OF JEFFERSON PARISH
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 2020

NOTE B - RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (CONTINUED)

Capital Outlay	\$	30,240
Depreciation Expense		(54,231)
Net adjustment to increase <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net position - governmental activities</i>		(23,991)

NOTE C - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

1. Compliance with Cooperative Endeavor Agreement

As a quasi-public corporation, GIVFD is not subject to all of the general statutes governing political subdivisions and other governments within the State of Louisiana. Instead, GIVFD must comply with the terms and conditions of the cooperative endeavor agreement it has with the Parish of Jefferson. GIVFD and the Parish of Jefferson signed a new ten (10) year agreement in March 2019, with an effective date of December 1, 2017 through December 1, 2027. As of December 31, 2020, GIVFD was in compliance with all of the significant conditions of the agreement.

2. Deficits in Fund Balance/Net Position

The Governmental Activities Funds ended the year with total net position of \$322,206; however, this number includes a deficit in the unrestricted net position of \$(45,030). This deficit also appeared in the fund balance of the General Fund at year end. GIVFD is funded with millage money collected by the Parish of Jefferson. The Parish levies the tax, collects the money and then remits 1/12th of the estimated budget to GIVFD each month. GIVFD has asked the Parish for an increase in its monthly allocation to offset increasing costs in overtime, healthcare costs, and overall operating expenses; however, to date, the Parish has not increased the monthly allotment. Per Parish financial records, there is approximately \$183,000 of millage money on hand over and above the Parish's required fund balance reserve that could be disbursed to GIVFD. If received, these funds would eliminate the deficit situation and provide adequate funding to meet operating costs in the future. GIVFD is working with the Parish to resolve this situation.

NOTE D - DETAILED NOTES ON ALL ACTIVITIES AND FUNDS

1. Deposits and Investments

The carrying amount of GIVFD's deposits at December 31, 2020 was \$129,215 and the bank balance was \$139,172. \$250,000 of the bank balances were covered by FDIC, leaving \$-0- uninsured. GIVFD's fiscal agent bank has pledged \$20,000 of securities as collateral against these deposits in case the bank balances were to exceed the FDIC limits.

GRAND ISLE VOLUNTEER FIRE COMPANY NO. 1 (GIVFD)
d/b/a
FIRE PROTECTION DISTRICT NO. 9 OF JEFFERSON PARISH
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 2020

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

2. Receivables

A recap of total receivables due at year end is as follows:

<u>Description</u>	<u>Receivable</u>
FEMA - Public Assistance Grants - Ike	\$ 1,689
GIVES - Due for Expenditures Paid on its Behalf	2,683
GIVES - Due for 50% of GIVFD Utilities in 2020	15,098
Total Receivable	<u>\$ 19,470</u>

As discussed in Notes G.2 and G.3, GIVFD has open claims with FEMA for disaster assistance related to Hurricanes Katrina, Rita, Gustav, Ike, and Isaac. At December 31, 2020, \$1,689 is reflected as receivable on these claims.

During 2020, GIVES incurred \$2,683 of expenses on the GIVFD credit card (GIVES does not have a credit card in its name) for various supplies and/or training costs. This receivable was recorded to recoup that money back from GIVES.

Also, in the past, GIVES was allowed to share the station free of charge under the cooperative endeavor agreement; however, in 2020, GIVFD decided that it would charge GIVES 50 percent of the utilities cost. Thus, GIVES was billed \$15,098 at year end for these costs.

GIVFD considers all of its receivables as collectible, thus, no allowance for doubtful accounts has been established. The Governor's Office of Homeland Security (GOSEP) is responsible for processing these disaster claims. GIVFD is working with GOHSEP on closing these claims out and collecting whatever funds will ultimately be allowed.

GRAND ISLE VOLUNTEER FIRE COMPANY NO. 1 (GIVFD)
d/b/a
FIRE PROTECTION DISTRICT NO. 9 OF JEFFERSON PARISH
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 2020

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

3. Capital Assets

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

	Balance December 31, 2019	Additions	Deletions	Balance December 31, 2020
Governmental Activities:				
Capital assets, not being depreciated				
Land	\$ 39,800	\$ -	\$ -	\$ 39,800
Total capital assets, not being depreciated	<u>\$ 39,800</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 39,800</u>
Capital assets, being depreciated				
Buildings & improvements	\$ 256,596	\$ -	\$ -	\$ 256,596
Furniture & fixtures	149,486	-	-	149,486
Vehicles & firefighting equipment	1,115,433	30,240	-	1,145,673
Total capital assets, being depreciated	<u>1,521,515</u>	<u>30,240</u>	<u>-</u>	<u>1,551,755</u>
Less accumulated depreciation for:				
Buildings & improvements	(171,029)	(12,330)	-	(183,359)
Furniture & fixtures	(134,169)	(1,973)	-	(136,142)
Vehicles & firefighting equipment	(864,890)	(39,928)	-	(904,818)
Total accumulated depreciation	<u>(1,170,088)</u>	<u>(54,231)</u>	<u>-</u>	<u>(1,224,319)</u>
Capital assets being depreciated, net	<u>\$ 351,427</u>	<u>\$ (23,991)</u>	<u>\$ -</u>	<u>\$ 327,436</u>
Net governmental activities capital assets	<u>\$ 391,227</u>	<u>\$ (23,991)</u>	<u>\$ -</u>	<u>\$ 367,236</u>

Fire District No. 9's two stations were damaged or destroyed by Hurricanes Katrina and Gustav in 2005 and 2008. The Parish of Jefferson was awarded a claim through FEMA to provide funds to replace the main station (Station 97 - see Note G.2). Station 97 opened in April 2011 and is now carried on the books of the Parish of Jefferson. The East Substation (Station 99) has been rebuilt and claimed with FEMA by GIVFD and is included in the assets above.

GRAND ISLE VOLUNTEER FIRE COMPANY NO. 1 (GIVFD)
d/b/a
FIRE PROTECTION DISTRICT NO. 9 OF JEFFERSON PARISH
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 2020

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

4. Intergovernmental Contracted Services

During 2007, GIVFD entered into a cooperative agreement with the Grand Isle Volunteer Emergency Services, Inc. (GIVES), whereby GIVFD would provide accounting and administrative services and GIVES would reimburse it for the costs incurred. In addition, in order to save money and consolidate operations, the employees of GIVES were transferred to GIVFD in 2007. Now, GIVFD employees are cross-trained and are responsible for responding to both fires and emergencies. Again, GIVES is required to reimburse GIVFD for costs incurred. During 2017, this agreement was renewed and calls for GIVES to remit up to 85 percent of its millage allocation to GIVFD. During 2020, GIVES made payments totaling \$416,731 to GIVFD under this arrangement. This base amounted to 85.0 percent of GIVES' millage receipts for the current year.

GIVES relies upon GIVFD for labor (see above). Additionally, in the past, the Grand Isle Volunteer Fire Department (GIVFD) provided GIVES with the use of office space and some equipment at no cost; however, in 2020, GIVFD billed 50 percent of its utilities to GIVES, for a total cost to GIVES of \$15,098.

NOTE E - ECONOMIC DEPENDENCE

The Parish Council is the official governing body of Fire District No. 9 of Jefferson Parish. To fund the operations of the district, the Parish levies an ad valorem tax each year. The Parish and GIVFD have entered into a cooperative endeavor agreement whereby GIVFD is responsible for the day-to-day operations of the District. In return, the Parish remits to GIVFD, on a monthly basis, 1/12th of the currently budgeted ad valorem tax revenues expected to be collected. GIVFD and the Parish of Jefferson signed a new ten (10) year agreement in March 2018, with an effective date of December 1, 2017 through December 1, 2027.

In January 2011, the public approved a renewal of the 20 mill ad valorem tax for the Fire District No. 9 (which placed it back to its original maximum amount); however, the rate was rolled forward due to a decline in the tax roll. As such, 21.10 mills were levied on the 2019 tax rolls. The remittance of these taxes during 2020 totaled \$870,000. The base revenues from this contract account for a substantial portion (65.4 percent) of GIVFD's total revenues. GIVFD also received an additional \$9,469 in state fire insurance rebates from the Parish in 2020. It should be noted that this tax was renewed by the public in November 2018 for an additional 10 years beginning in 2021 at 21.10 mills.

NOTE F - COMMITMENTS AND CONTINGENCIES

1. Risk Management

GIVFD 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.

GRAND ISLE VOLUNTEER FIRE COMPANY NO. 1 (GIVFD)
d/b/a
FIRE PROTECTION DISTRICT NO. 9 OF JEFFERSON PARISH
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 2020

NOTE F - COMMITMENTS AND CONTINGENCIES (CONTINUED)

Under these policies, general liability and medical malpractice coverage is provided for up to a maximum of \$1,000,000 per occurrence (\$2,000,000 in the aggregate); automobile liability coverage is provided for up to \$1,000,000; and worker's compensation is provided at the statutory limits of \$100,000/500,000/100,000. In each policy, GIVFD is responsible for the deductible.

2. Litigation

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

3. COVID-19 Pandemic

In early March 2020, the COVID-19 virus was declared a global pandemic, and unfortunately it continues to spread rapidly throughout the United States. Business continuity, including supply chains and consumer demand across a broad range of industries and countries, has been severely impacted for months, as governments and their citizens take significant and unprecedented measures to mitigate the consequences of the pandemic.

Management of the GIVFD is carefully monitoring the situation and evaluating its options during this time. Since most of its assets are short-term in nature, there is no effect on their fair value as of the date of this report. The various grants and contracts are also still in place, therefore, future funding for these projects do not appear to be in jeopardy at this time. Since GIVFD's main revenue source is property taxes, it has not yet been negatively impacted at this time. The 2020 tax roll has been levied with no significant change in prior year assessment levels or collection rates. No adjustments have been made to these financial statements as a result of this uncertainty.

GIVFD did not receive any funds from the Coronavirus Relief Fund that was offered through the State of Louisiana.

NOTE G - OTHER INFORMATION

1. Retirement

GIVFD's employees are members of the Social Security System. In addition to the employee contribution withheld at 7.65 per cent, GIVFD contributes 7.65 percent to the System. Aggregate pension costs for the year totaled \$81,678. GIVFD does not guarantee the benefits granted by the Social Security System.

In 1998, GIVFD began allowing certain employees to contribute to an IRA plan. GIVFD contributes 3 percent of the employee's gross salary as a match against that contributed by the employee. During 2020, the contribution to this plan totaled \$-0-, although the participating employee did withhold \$2,550 towards the plan. GIVFD was in the process of calculating the employer match and remitting all amounts due subsequent to year end. The amounts withheld from the employee are included in payroll liabilities.

GRAND ISLE VOLUNTEER FIRE COMPANY NO. 1 (GIVFD)
d/b/a
FIRE PROTECTION DISTRICT NO. 9 OF JEFFERSON PARISH
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 2020

NOTE G - OTHER INFORMATION (CONTINUED)

2. Expenses Paid by Others

The full-time firefighters of GIVFD 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 GIVFD employees totaled \$-0- for 2020 per GIVFD's books. There were payments made during 2020; however, GIVFD failed to capture the amounts as taxable income. The supplemental pay is supposed to be included in the taxable income of the firefighters so that federal and state taxes may be applied.

3. Hurricanes Katrina and Rita

On August 29, 2005, Hurricane Katrina struck the area and Hurricane Rita struck on September 11, 2005. The Grand Isle area saw severe flooding and wind damage. GIVFD's main station was destroyed and the two substations received damage. In addition, emergency protective measures were performed by GIVFD personnel.

Net claims under Katrina totaling \$358,320 have been filed with FEMA. After the local share and administrative fees are added in, FEMA's share is \$365,066. Through December 31, 2020, payments totaling \$405,330 have been received. The difference of \$(40,264) has been recorded as unearned grant revenues at year end. This deferral resulted from FEMA reclassifying some of the costs claimed under Katrina to Hurricane Ike, applying estimated insurance, and disallowing some claims. Current year revenues are \$-0-.

Net claims under Rita totaling \$60,034 have been filed for labor and equipment. After disallowance of some claims and adding in the local share and administrative fees, FEMA's share is \$17,049. To date, payments totaling \$55,652 has been received. The difference of \$(38,603) is included in unearned grant revenues at year end. Current revenues are \$-0-. FEMA/GOHSEP continues working towards closing these two disasters out.

4. Hurricanes Gustav and Ike

On August 29, 2008, Hurricane Gustav threatened the area and caused the evacuation of the Metropolitan New Orleans area, including Grand Isle. The Grand Isle area saw severe flooding and some wind damage. The Isle was evacuated for several weeks until utility service could be reestablished. Some damage was incurred and some emergency work was performed by GIVFD. Claims totaling \$241,754 have been filed with FEMA and \$1,254 have been disallowed and returned. After the local share and administrative fees are accounting for, FEMA's share is \$201,061. Through December 31, 2020, payments totaling \$254,139 have been received. The difference of \$(53,078) is shown as unearned grant revenues at year end. Current revenues are \$-0-.

GRAND ISLE VOLUNTEER FIRE COMPANY NO. 1 (GIVFD)
d/b/a
FIRE PROTECTION DISTRICT NO. 9 OF JEFFERSON PARISH
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 2020

NOTE G - OTHER INFORMATION (CONTINUED)

On September 12, 2008, Hurricane Ike passed just off of the coastline of the State of Louisiana and hit Texas. While the Grand Isle area was spared a direct hit, the storm surge from the hurricane did cause some tidal flooding. Some damage was incurred and some emergency work was performed by GIVFD. Claims totaling \$62,715 have been filed with FEMA. After applying estimated insurance and adding in the local share and administrative fees, FEMA's share is \$50,315. Through December 31, 2020, payments totaling \$86,067 have been received. The difference of \$(35,752) has been recorded as a receivable of \$1,689 and as \$(37,441) in unearned grant revenues at year end. Current revenues are \$-0-. FEMA/GOHSEP continues working towards closing these two disasters out.

NOTE H – SUBSEQUENT EVENT - COVID-19 PANDEMIC

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

OTHER SUPPLEMENTAL INFORMATION

GRAND ISLE VOLUNTEER FIRE COMPANY NO. 1
d/b/a
FIRE PROTECTION DISTRICT NO. 9 OF JEFFERSON PARISH

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

	<u>General Fund</u>
Intergovernmental	
Federal	
FEMA - Disaster Assistance	\$ -
State	
Fire Insurance Rebate	9,469
Local	
Jefferson Parish contract:	
Direct payments - ad valorem taxes - operations	870,000
Direct payments - ad valorem taxes - equipment	-
Grand Isle Volunteer Emergency Services	
Cooperative agreement	416,731
	<u>1,296,200</u>
Donations and gifts	
Other donations	<u>-</u>
	<u>-</u>
Interest	<u>273</u>
Miscellaneous	
Sales of equipment	-
Other	34,209
	<u>34,209</u>
 TOTAL REVENUES	 <u>\$ 1,330,682</u>

GRAND ISLE VOLUNTEER FIRE COMPANY NO. 1
d/b/a
FIRE PROTECTION DISTRICT NO. 9 OF JEFFERSON PARISH

GOVERNMENTAL FUNDS - GENERAL FUND
SCHEDULE OF EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 20120

	<u>General Fund</u>
Public Safety	
Current	
Personnel and related costs	
Salaries - Regular	\$ 577,157
Salaries - Medics	226,160
Salaries - Overtime	226,956
Payroll taxes	81,678
Retirement	-
Health insurance	179,630
Unemployment insurance	302
Workmens' compensation	66,525
	<u>1,358,539</u>
General and administrative costs	
Alarm monitoring	3,002
Bank charges	285
Bookkeeping and auditing	8,250
Conferences and conventions	550
Contracted services - other	-
Dues and subscriptions	744
Office and computer supplies	3,658
Postage	441
Phones	3,481
Utilities - electricity and water	7,059
Utilities - cable and internet	3,400
Licenses and certificates	-
Insurance - auto/general	54,897
Meals	115
Sanitation	75
Travel - hotels and meals	508
Groceries and supplies - station	13,655
	<u>100,120</u>
Emergency costs and supplies	
Firefighting supplies	8,776
Fire Prevention Week supplies	-
Gas and oil	6,149
Medical and emergency supplies	1,738
Training and educational	6,417
Uniforms and shirts	1,871
	<u>27,914</u>
Repairs and maintenance	
R & M - buildings	5,218
R & M - equipment and radios	934
R & M - vehicles and boats	13,434
	<u>19,586</u>
Miscellaneous	
Gifts, flowers, and donations	-
Other	271
	<u>271</u>
Capital outlay	
Buildings and grounds	-
Vehicles and rescue equipment	-
Equipment	30,240
Furniture and fixtures	-
	<u>30,240</u>
TOTAL CURRENT	<u><u>1,536,670</u></u>
Debt Service	
Principal	-
Interest	-
TOTAL DEBT SERVICE	<u><u>-</u></u>
TOTAL EXPENDITURES	<u><u>\$ 1,536,670</u></u>

GRAND ISLE VOLUNTEER FIRE COMPANY NO. 1
d/b/a
FIRE PROTECTION DISTRICT NO. 9 OF JEFFERSON PARISH

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

Agency Head Name/Title: (5)
Joel Bradberry, Fire Chief

<u>Purpose</u>	<u>Amount</u>	
Salary	\$	100,440
State Supplemental Pay		-
Benefits - Insurance (Group Health)		21,185
Benefits - Retirement		7,683
Benefits - Other (Unemployment Taxes)		8
Car Allowance		-
Vehicle Provided by Agency		-
Per Diem		-
Reimbursements		-
Travel (meal per diems)		-
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 GIVFD so that federal and state payroll taxes can be paid on these wages.
- (2) GIVFD provides a group health plan to all employees along with some employee-pay coverage. For Joel Bradberry, this amount represents to the total premium of \$23,021 paid by GIVFD, less the amount paid by the employee of \$1,836.
- (3) GIVFD 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 (GIVFD) on this employee's taxable wages.
- (4) GIVFD 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 (in general) and personal use is typically only made up of commuting. The car is primarily used for public safety/business purposes. The vehicle is also painted red and is clearly marked with GIVFD insignia.

COMPLIANCE SECTION

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Paul C. Rivera, CPA

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

To the President and Board of Directors
Grand Isle Volunteer Fire Company No. 1 (GIVFD)
Grand Isle, Louisiana

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of the Grand Isle Volunteer Fire Company No. 1 (GIVFD), a non-profit entity d/b/a Fire Protection District No. 9 of Jefferson Parish, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise GIVFD's basic financial statements, and have issued my report thereon dated April 28, 2021.

INTERNAL CONTROL OVER FINANCIAL REPORTING

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

My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying Schedule of Findings and Responses, I did identify certain deficiencies in internal control that I consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected in a timely basis. I consider the deficiencies described in the accompanying Schedule of Findings and Responses as items SD 20-01 and SD 20-02 to be a material weaknesses.

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. I consider the deficiencies described in the accompanying Schedule of Findings and Responses as items SD20-03, SD20-04, and SD20-05 to be significant deficiencies.

COMPLIANCE AND OTHER MATTERS

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

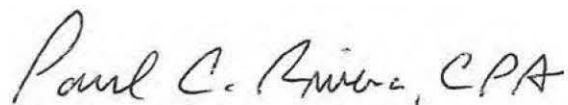
The results of my tests disclosed one instance of noncompliance and other matters that is required to be reported under *Government Auditing Standards*. See compliance findings CF20-01 in the attached Schedule of Findings and Responses.

GIVFD's RESPONSES TO FINDINGS

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

PURPOSE OF THIS REPORT

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of GIVFD'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.



April 28, 2021
Gretna, Louisiana

**GRAND ISLE VOLUNTEER FIRE COMPANY NO. 1 (GIVFD)
D/B/A
FIRE PROTECTION DISTRICT NO. 9 OF JEFFERSON PARISH**

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

I have audited the financial statements of the Grand Isle Volunteer Fire Company No. 1 (GIVFD) as of and for the year ended December 31, 2020, and have issued my report thereon dated April 28, 2021. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. My audit of the financial statements as of December 31, 2020 resulted in an unqualified opinion.

SECTION I - SUMMARY OF AUDITOR'S RESULTS

- A. The auditor's report expresses an unmodified opinion on the financial statements of GIVFD.
- B. Report on Internal Control and Compliance Material to the Financial Statements
Internal Control:
Two Material Weaknesses were noted. (See items SD 20-01 and SD 20-02 below).
Significant Deficiencies were noted (See below).

Compliance:
One instance of noncompliance material to the financial statements was noted (See below).
- C. Federal Awards - not applicable
- D. Identification of Major Programs - not applicable

SECTION II - FINANCIAL STATEMENT FINDINGS

INTERNAL CONTROLS

Material Weaknesses

SD Comment # 20-01 - Inadequate Segregation of Duties

Condition and Criteria - I noted that the size of GIVFD's operations is too small to provide for an adequate segregation of duties. The GIVFD's Office Manager/bookkeeper (the Assistant Fire Chief) is charged with most of the responsibilities relating to the cash receipts, cash disbursement, and financial reporting cycles. GIVFD 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, and (3) requiring the presentation of actual versus budget reports on a monthly basis to the Board.

Cause - GIVFD does not have the funds to provide enough personnel to adequately segregate the duties.

**GRAND ISLE VOLUNTEER FIRE COMPANY NO. 1 (GIVFD)
D/B/A
FIRE PROTECTION DISTRICT NO. 9 OF JEFFERSON PARISH
SCHEDULE OF FINDINGS AND RESPONSES (CONTINUED)
For the Year Ended December 31, 2020**

SECTION II - FINANCIAL STATEMENT FINDINGS (CONTINUED)

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

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

SD Comment # 20-02 – Failure to Backup Data Resulting in Loss of Computer Files

Condition and Criteria – Good internal control calls for the timely backup of financial data to an external source and for the data to be kept in a secure location away from the primary operating site. GIVFD has an external drive that is supposed to be utilized to back-up its QuickBooks data on a daily basis; however, in the spring of 2020, a power surge resulted in the computer crashing and the loss of data. When GIVFD tried to recover its backup data, it was discovered that the backups were not being done in a timely manner.

Cause – GIVFD’s records are maintained on QuickBooks by the administrative personnel. It was thought that the backup process was being followed; however, after a power surge crashed the computer in May 2020, it was discovered that no backups had been made since May 2019. The administrative personnel had to re-enter twelve months of data into QuickBooks.

Recommendation – The data on QuickBooks should be backed up daily. The external drive should be utilized and automatic backups should be scheduled.

Management’s Response – GIVFD’s administrative staff is aware of this and has made the appropriate changes to the backup procedures to ensure that daily backups are being made. This should not happen again.

Significant Deficiencies

SD Comment # 20-03 - Preparation of Financial Statements by Auditor

Condition and Criteria - GIVFD does not have controls in place for proper oversight of its financial reporting and for the preparation of financial statements in accordance with generally accepted accounting principles. As is common in small organizations, GIVFD has chosen to engage the auditor to prepare its annual financial statements. This condition is intentional by management, along with the cost effectiveness of acquiring the ability to prepare the financial statements in accordance with generally accepted accounting principles.

Cause - Recently issued Statement of Auditing Standards (SAS) 115 requires that I report the above condition as a control deficiency. The SAS 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.

**GRAND ISLE VOLUNTEER FIRE COMPANY NO. 1 (GIVFD)
D/B/A
FIRE PROTECTION DISTRICT NO. 9 OF JEFFERSON PARISH**

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

SECTION II - FINANCIAL STATEMENT FINDINGS (CONTINUED)

Recommendation - As mentioned, whether or not it would be cost effective to cure a control deficiency is not a factor in applying SAS 115's reporting requirements. Because 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. In this case, I do not believe that curing the significant deficiency described in this finding would be cost effective or practical and accordingly, I do not believe any corrective action is necessary.

Management's Response - GIVFD's staff is familiar with the day-to-day accounting requirements; however, due to limited staffing and funding, we do not consider it practical to provide sufficient training to our staff in order to eliminate this condition and can only continue to rely on the auditor to prepare the financial statements at this time.

SD Comment # 20-04 – Failure to Maintain Proper Fixed Asset Records

Condition and Criteria - GIVFD does not maintain a formal fixed assets ledger. Instead, it has chosen to utilize an excel spreadsheet that was developed by the external auditor to maintain a schedule of general fixed assets, which is adjusted each year during the audit. By not maintaining a true general ledger on fixed assets, GIVFD must wait until year end to calculate and post depreciation on fixed assets. Additions and disposals of fixed assets are also not recorded until year-end.

Cause - GIVFD's software system (QuickBooks) was not set up to record and depreciate fixed assets.

Recommendation - GIVFD should work towards entering the records relating to the fixed assets into the QuickBooks software system. This would also allow for the timely capitalization and depreciation of all fixed assets.

Management's Response - We will look into doing this for the next fiscal year audit. Since we record our activity on a "cash-basis" of accounting, we do not see this as a must and are satisfied with relying on the year-end audit adjustments to reflect capitalization and depreciation activity. We do maintain asset inventory listings for insurance purposes that reconcile back to our accounting records and we performed a physical inventory at the beginning of 2020. This inventory was also reconciled back to the audit list.

**GRAND ISLE VOLUNTEER FIRE COMPANY NO. 1 (GIVFD)
D/B/A
FIRE PROTECTION DISTRICT NO. 9 OF JEFFERSON PARISH**

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

SECTION II - FINANCIAL STATEMENT FINDINGS (CONTINUED)

SD Comment # 20-05 – Failure to Remit 401k Retirement Contributions on a Timely Basis

Condition and Criteria - GIVFD has one employee who participates in a 401k retirement plan with a third-party administrator. GIVFD allows the employee to withhold a certain amount out of each pay check and provides an employer match against what the employee contributes. The remittances to the third-party administrator are supposed to be made monthly. During my testing, I found that the employee did have \$2,550 in withholdings taken out of his checks during 2020; however, GIVFD did not make a single remittance to the third-party administrator during the year other than to catch up on some previous year liabilities.

Cause – We reorganized some of the administrative duties during 2020 among employees and, apparently, this procedure of capturing the amounts withheld and calculating the match was lost in the mix.

Recommendation – GIVFD needs to calculate the match due for all of the amounts withheld in 2020 and remit them as soon as possible. They also need to remind the bookkeeper that this calculation and remittance must happen each month.

Management's Response – This was an oversight on our part. We will ensure that the amounts due are paid in 2021 and that a process is put in place so that all future remittances are done on a timely basis.

COMPLIANCE FINDINGS AND OTHER MATTERS:

Compliance Findings

CF Finding # 20-01 – State Supplemental Pay Not Being Captured and Taxed in Payroll Records

Condition and Criteria – Federal tax regulations along with State Supplemental Pay guidelines require the amount of state supplemental pay that is paid directly by the State (the “third-party payer”) to the firefighters to be picked up by GIVFD in its payroll records as “taxable income”. The employee and employer are then supposed to pay any applicable federal and state income taxes on this income.

Finding - During 2020, I noted \$-0- of state supplemental pay being recorded in the payroll records when prior years recorded amounts much higher. Thus, it appears that GIVFD is not properly recording and taxing the state supplemental income.

Management's Response – We reorganized some of the administrative duties during 2020 among employees and, apparently, this procedure of capturing the supplemental pay was lost in the mix. We will ensure that the pay is properly recorded and taxed in 2021.

**GRAND ISLE VOLUNTEER FIRE COMPANY NO. 1 (GIVFD)
D/B/A
FIRE PROTECTION DISTRICT NO. 9 OF JEFFERSON PARISH
SCHEDULE OF FINDINGS AND RESPONSES (CONTINUED)
For the Year Ended December 31, 2020**

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Not Applicable

SECTION IV - STATUS OF PRIOR YEAR FINDINGS

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

FINANCIAL STATEMENT FINDINGS

Prior Year Comment No.	Description	Status
SD# 19-01	Inadequate Segregation of Duties	See CY Comment SD # 20-01
SD# 19-02	Failure to Backup Data Resulting in Loss of Computer Files	See CY Comment SD # 20-02
SD# 19-03	Preparation of Financial Statements by Auditor	See CY Comment SD # 20-03
SD# 19-04	Failure to Maintaining Proper Fixed Asset Records	See CY Comment SD # 20-04
CF# 19-01	State Supplemental Pay Not Being Captured and Taxed in Payroll Records	See CY Comment CF # 20-01
CF# 19-02	State Withholding Taxes Were Not Remitted at Year End	Resolved. No such issue noted in 2020.
CF# 19-03	Payroll Garnishments Not Being Remitted on a Timely Basis	Resolved. No such issue noted in 2020.
CF# 19-04	Violation of Parish Cooperative Endeavor Agreement Concerning Capital Asset Purchases and Dispositions	Resolved. No such issue noted in 2020.

(END OF REPORT)