

FINANCIAL REPORT  
MARRERO-HARVEY VOLUNTEER  
FIRE COMPANY NO. 1  
DECEMBER 31, 2020 AND 2019

MARRERO-HARVEY VOLUNTEER  
FIRE COMPANY NO. 1

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DECEMBER 31, 2020 AND 2019

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June 25, 2021

Board of Directors  
Marrero-Harvey Volunteer Fire Company No. 1  
808 MacArthur Avenue  
Harvey, Louisiana 70058

### Report on the Financial Statements

We have audited the accompanying financial statements of the Marrero-Harvey Volunteer Fire Company No. 1 (a Louisiana nonprofit organization) 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. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from 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 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, 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 the Marrero-Harvey Volunteer Fire Company No. 1 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 audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of compensation, benefits, and other payments to Agency Head 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 25, 2021, on our consideration of the Marrero-Harvey Volunteer Fire Company No. 1's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 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 the Marrero-Harvey Volunteer Fire Company No. 1's internal control over financial reporting and compliance.

  
New Orleans, Louisiana

MARRERO-HARVEY VOLUNTEER FIRE COMPANY NO. 1  
 STATEMENTS OF FINANCIAL POSITION  
DECEMBER 31, 2020 AND 2019

ASSETS

	<u>2020</u>	<u>2019</u>
<b>CURRENT ASSETS:</b>		
Cash	\$ 3,524,230	\$ 3,694,491
Deposit	810,552	-
Prepaid expenses	<u>18,748</u>	<u>18,541</u>
 Total current assets	 <u>4,353,530</u>	 <u>3,713,032</u>
 <b>PROPERTY AND EQUIPMENT:</b>		
(Net of accumulated depreciation of \$2,515,483 and \$2,370,182)	 <u>1,611,057</u>	 <u>1,756,358</u>
 TOTAL ASSETS	 <u>\$ 5,964,587</u>	 <u>\$ 5,469,390</u>

LIABILITIES AND NET ASSETS

<b>CURRENT LIABILITIES:</b>		
Accrued payroll and withholdings	\$ 94,548	\$ 60,688
Accrued leave	<u>91,988</u>	<u>62,888</u>
 Total current liabilities	 <u>186,536</u>	 <u>123,576</u>
 <b>NET ASSETS:</b>		
Without donor restrictions	<u>5,778,051</u>	<u>5,345,814</u>
Total net assets	<u>5,778,051</u>	<u>5,345,814</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u>\$ 5,964,587</u>	 <u>\$ 5,469,390</u>

MARRERO-HARVEY VOLUNTEER FIRE COMPANY NO. 1  
STATEMENTS OF ACTIVITIES  
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
REVENUES AND OTHER SUPPORT:		
Eighth Fire Protection District Contract Fees:		
Ad valorem taxes	\$ 2,400,000	\$ 2,400,000
Operating subsidy/capital improvements	43,677	29,645
Fire insurance rebate	50,645	50,554
Cares Act funds	507,213	-
Donated firefighting services	56,048	57,110
Interest	71	89
Contributions and donations	796	4,029
Other income	98,655	132,063
Total revenues and other support	<u>3,157,105</u>	<u>2,673,490</u>
EXPENSES:		
Program services - firefighting	2,462,797	4,393,243
Supporting services - management and general	262,071	239,854
Total expenses	<u>2,724,868</u>	<u>4,633,097</u>
CHANGE IN NET ASSETS	432,237	(1,959,607)
NET ASSETS - BEGINNING OF YEAR	<u>5,345,814</u>	<u>7,305,421</u>
NET ASSETS - END OF YEAR	<u>\$ 5,778,051</u>	<u>\$ 5,345,814</u>

See accompanying notes.

MARRERO-HARVEY VOLUNTEER FIRE COMPANY NO. 1  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>PROGRAM</u> <u>SERVICES</u>	<u>SUPPORTING</u> <u>SERVICES</u>	
	<u>Firefighting</u>	<u>Management</u> <u>and General</u>	<u>Total</u>
EXPENSES:			
Accounting and legal	\$ -	\$ 18,248	\$ 18,248
Bank charges	-	1,475	1,475
Depreciation	130,770	14,530	145,300
Donated firefighting services	56,048	-	56,048
Dues and subscriptions	650	72	722
Firefighting supplies	59,732	-	59,732
Fuel	14,175	-	14,175
Insurance	510,334	56,704	567,038
Investigations	1,356	-	1,356
Maintenance	139,108	-	139,108
Meals and consumables	4,571	-	4,571
Medical	11,213	1,246	12,459
Miscellaneous	1,523	169	1,692
Office supplies	-	2,590	2,590
Operating supplies	14,659	-	14,659
Payroll taxes	108,787	12,087	120,874
Radio	13,911	-	13,911
Retirement	36,836	4,093	40,929
Salaries and wages	1,320,422	146,714	1,467,136
Telephone	8,008	733	8,741
Utilities	30,694	3,410	34,104
	<u>          </u>	<u>          </u>	<u>          </u>
TOTAL	\$ <u>2,462,797</u>	\$ <u>262,071</u>	\$ <u>2,724,868</u>

See accompanying notes.

MARRERO-HARVEY VOLUNTEER FIRE COMPANY NO. 1  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>PROGRAM</u> <u>SERVICES</u>  <u>Firefighting</u>	<u>SUPPORTING</u> <u>SERVICES</u> Management and General	<u>Total</u>
EXPENSES:			
Accounting and legal	\$ -	\$ 17,734	\$ 17,734
Depreciation	145,923	16,214	162,137
Donated firefighting services	57,110	-	57,110
Dues and subscriptions	212	24	236
Firefighting supplies	39,882	-	39,882
Fuel	18,938	-	18,938
Insurance	460,859	51,207	512,066
Investigations	779	-	779
Loss on disposal of assets	541	-	541
Maintenance	112,461	-	112,461
Meals and consumables	7,068	-	7,068
Medical	10,265	1,141	11,406
Miscellaneous	32,917	3,657	36,574
New Station 80	2,116,511	-	2,116,511
Office supplies	-	5,001	5,001
Operating supplies	29,520	-	29,520
Payroll taxes	95,337	10,593	105,930
Radio	7,753	-	7,753
Retirement	27,161	3,018	30,179
Salaries and wages	1,148,242	127,582	1,275,824
Telephone	6,592	733	7,325
Utilities	26,561	2,950	29,511
Vehicles	48,611	-	48,611
	<u>4,393,243</u>	<u>239,854</u>	<u>4,633,097</u>
TOTAL	\$ <u>4,393,243</u>	\$ <u>239,854</u>	\$ <u>4,633,097</u>

See accompanying notes.



MARRERO-HARVEY VOLUNTEER FIRE COMPANY NO. 1  
 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	\$ 432,237	\$ (1,959,607)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	145,301	162,137
Construction in progress completed and expensed	-	1,654,511
Loss on sale of property and equipment	-	541
(Increase) decrease in operating assets:		
Prepaid expenses	(207)	(2,727)
Increase (decrease) in operating liabilities:		
Accrued leave	29,100	(2,968)
Accrued payroll and withholdings	33,860	(14,763)
Net cash (used) by operating activities	<u>640,291</u>	<u>(162,876)</u>
 NET DECREASE IN CASH	 640,291	 (162,876)
 CASH - BEGINNING OF YEAR	 <u>3,694,491</u>	 <u>3,857,367</u>
 CASH - END OF YEAR	 <u>\$ 4,334,782</u>	 <u>\$ 3,694,491</u>
 <b>SUPPLEMENTAL CASH FLOW INFORMATION:</b>		
Cash paid for the following:		
Interest	\$ <u>-</u>	\$ <u>-</u>
Income tax	\$ <u>-</u>	\$ <u>-</u>

See accompanying notes.

MARRERO-HARVEY VOLUNTEER FIRE COMPANY NO. 1  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020 AND 2019

ORGANIZATION:

Marrero-Harvey Volunteer Fire Company No. 1 (the fire company) was established to provide firefighting and rescue services to a designated area of the Eighth Fire Protection District (a separate entity) of Jefferson Parish, Louisiana. In addition, the fire company provides fire code inspections for businesses within its district, as well as firefighting and rescue training for its members. The fire company maintains three fire stations and has approximately 25 paid employees and 8 volunteers. The fire company's main source of revenue comes from the contract with the Eighth Fire Protection District of Jefferson Parish. The current contract was adopted by Jefferson Parish Council on November 15, 2017, by resolution number 130389. The contract is for 10 years expiring on December 1, 2027.

The Eighth Fire Protection District contracts with the Marrero-Harvey Volunteer Fire Company No. 1 and other fire departments to carry out its mission of providing fire protection for the public within the geographical boundary of the area delineated as Fire Protection District No. 8 of Jefferson Parish.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

A summary of the fire 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 company is required to report information regarding its financial position according to two classes of net assets: net assets with donor restrictions and net assets without donor 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 company had only net assets without donor restrictions.

Functional Expenses Allocation:

The statement of activities presents expenses of the fire company's operations functionally between program services for firefighting, administrative, and general. Those expenses which cannot be functionally categorized are allocated between functions based upon management's estimate of usage applicable to conducting those functions.

Contributions and Donated Services:

Contributions received are recorded as with donor restrictions and without donor restrictions support depending on the existence and nature of any donor restrictions.

MARRERO-HARVEY VOLUNTEER FIRE COMPANY NO. 1  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020 AND 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Contributions and Donated Services: (Continued)

ASC 958-605 provides that the value of donated services should 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 fire company's volunteer firefighters undergo extensive specialized training, and the firefighting services would have to be purchased if the services were not provided by volunteers. Accordingly, donated firefighting services are recognized in the financial statements at estimated fair value.

Revenues:

Substantially all of the fire department's revenue is derived from funds provided by the Fire Protection District No. 8 of Jefferson Parish to provide firefighting and rescue services to the designated area of the Fire Protection District No. 8 and is considered to be an exchange transaction within the scope of ASC Topic 606, *Revenue from Contracts with Customers*. The Parish pays the fire department monthly installments which represent the net proceeds of millage levied annually on the assessed valuation of property in the Fire Protection District No. 8. The revenue is recognized as the services are performed monthly. During the year ended December 31, 2020, Jefferson Parish received CARES Act money related to the COVID-19 pandemic. The amount allocated to the fire department totaled \$507,213 for 2020. Also during December 31, 2020 and 2019, the fire department received capital allocation funds from the Parish for the purchase of equipment and vehicles in the amount of \$-0- and \$29,645, respectively.

In addition, the fire department routinely receives revenue from insurance rebates. The amount is received annually from the State of Louisiana through Jefferson Parish. The amount received is based on the number of homes within the fire district and totaled \$50,645 and \$50,554 for 2020 and 2019, respectively.

Income Taxes:

The fire company is exempt from income taxes under Internal Revenue Code Section 501(c)(4) as a nonprofit organization. Accordingly, the financial statements do not reflect a provision for income taxes. The fire company's Federal Return of Organization Exempt from Income Tax (Form 990) for 2020, 2019 and 2017 are subject to examination by the IRS, generally for three years after they were filed.

Statement of Cash Flows:

For purposes of the statement of cash flows, the fire company has defined cash as cash in banks, money market accounts, and certificates of deposit with original maturities of three months or less.

MARRERO-HARVEY VOLUNTEER FIRE COMPANY NO. 1  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020 AND 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Property and Equipment:

Property and equipment, consisting primarily of furniture, fixtures, and equipment, are recorded at cost when purchased with private funds and at fair market value when received as a donation. The Fire Department capitalizes property and equipment purchases over \$1,000, and expenses those purchases under \$1,000. Expenditures for maintenance, repairs, and minor renewals are charged against earnings as incurred. Depreciation is computed using the straight-line method over the useful lives of the assets. The lives range from 3 to 40 years.

Effective with the contract signed in 2017, property and equipment no longer includes fire trucks and purchased with funds from the Fire Protection District No. 8 of Jefferson Parish. Historically, the fire department has received subsidies from the Fire Protection District No. 8 of Jefferson Parish for the purchase of fire trucks and various equipment. The trucks and equipment are then purchased by the fire department and donated back to the Fire Protection District No. 8 of Jefferson Parish. This is done because the funding source of these subsidies is parish ad valorem taxes, and the property must stay in the “public domain”. The fire trucks and equipment are utilized by the fire department but they are insured by and titled in the name of the Parish of Jefferson. These trucks and equipment are reported for in the financial statements of the Parish of Jefferson.

Annual Leave:

Employees earn and accumulate annual leave at various rates, depending on their years of service. The maximum amount of annual leave that may be accumulated in one year is 360 hours. A maximum of 216 hours of annual leave can be carried over to the next calendar year. Upon termination, employees are compensated for up to 576 hours of unused annual leave at the employee’s hourly rate of pay at the time of termination.

The liability for accrued annual leave was \$91,988 and \$62,888 as of December 31, 2020 and 2019, respectively.

Sick Leave:

Operators scheduled to work 50 or more hours per week earn sick leave. However, upon termination of employment for any reason, the employee will not be paid for any sick leave. Therefore, there is no sick leave accrual recorded in the financial statements.

New Accounting Standards:

In 2019, the fire company adopted FASB 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 fire company’s primary source of revenue is from its

MARRERO-HARVEY VOLUNTEER FIRE COMPANY NO. 1  
 NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020 AND 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

New Accounting Standards: (Continued)

contract with Jefferson Parish. The fire company analyzed the provisions of FASB's ASU Topic 606, *Revenue from Contracts with Customers*, and concluded that no changes to their revenue recognition were needed to conform to the new standard.

The fire company also adopted FASB ASU 2018-08, Not-For-Profit Entities (Topic 958): *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. This update clarifies and improves guidance for contributions received and contributions made, and provides guidance to organizations on how to account for certain exchange transactions. The fire department analyzed the provisions of FASB's ASU Topic 958, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*, and concluded that no changes were necessary to conform with the new standard.

2. CASH:

At December 31, 2020 and 2019, the fire company maintained cash balances and savings accounts in several local banks. The bank balances and book balances as of December 31, 2020 and 2019 were as follows:

	2020		2019	
	Book Balances	Bank Balances	Book Balances	Bank Balances
Checking accounts	\$3,341,649	\$3,371,484	\$3,511,956	\$3,544,428
Savings accounts	182,581	182,581	182,535	182,549
Total cash	\$3,524,230	\$3,554,065	\$3,694,491	\$3,726,977

The fire company's bank balances were entirely covered by FDIC insurance or pledged securities held by Capital One Bank in the name of the Marrero-Harvey Volunteer Fire Company No. 1 at December 31, 2020 and 2019, respectively.

MARRERO-HARVEY VOLUNTEER FIRE COMPANY NO. 1  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020 AND 2019

3. PROPERTY AND EQUIPMENT:

Below is a summary of activity in the fire company's property and equipment accounts during the years ended December 31, 2020 and 2019:

	2020				
	<u>Balance</u> <u>1/1/2020</u>	<u>Additions</u>	<u>Deletions</u>	<u>Completed</u> <u>Construction</u>	<u>Balance</u> <u>12/31/2020</u>
Land	\$ 89,218	\$ -	\$ -	\$ -	\$ 89,218
Buildings	725,986	-	-	-	725,986
Vehicles	2,739,858	-	-	-	2,739,858
Firefighting equipment	535,861	-	-	-	535,861
Furniture and fixtures	35,617	-	-	-	35,617
	4,126,540	-	-	-	4,126,540
Accumulated depreciation	(2,370,182)	(145,301)	-	-	(2,515,483)
Net property and equipment	\$ 1,756,358	\$ (145,301)	\$ -	\$ -	\$ 1,611,057
	2019				
	<u>Balance</u> <u>1/1/2019</u>	<u>Additions</u>	<u>Deletions</u>	<u>Completed</u> <u>Construction</u>	<u>Balance</u> <u>12/31/2019</u>
Land	\$ 89,218	\$ -	\$ -	\$ -	\$ 89,218
Buildings	725,986	-	-	-	725,986
Vehicles	2,739,858	-	-	-	2,739,858
Firefighting equipment	548,818	-	(12,957)	-	535,861
Furniture and fixtures	42,095	-	(6,478)	-	35,617
Construction in progress	1,654,511	-	-	(1,654,511)	-
	5,800,486	-	(19,435)	(1,654,511)	4,126,540
Accumulated depreciation	(2,226,939)	(162,137)	18,894	-	(2,370,182)
Net property and equipment	\$ 3,573,547	\$ (162,137)	\$ (541)	\$ (1,654,511)	\$ 1,756,358

Depreciation expense totaled \$145,301 and \$162,137 during the years ended December 31, 2020 and 2019, respectively.

During the years 2018 and 2019, the fire company paid a total of \$2,116,511 for the construction of Station 80. The amount was reported in program expenses for the year ended December 31, 2019. Jefferson Parish owns the Station 80 building, which the fire company has been allowed to use. See note 1 for additional information.

MARRERO-HARVEY VOLUNTEER FIRE COMPANY NO. 1  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020 AND 2019

4. DONATED SERVICES:

Volunteer firefighters of the fire company responded to 1,164 and 1,267 calls for service during 2020 and 2019, respectively. The value of these volunteer services is computed using the minimum hourly pay for the fire company's paid personnel during the year, multiplied by an average response duration of 1.25 and 1.25 hours during 2020 and 2019, respectively, with the result multiplied by the number of volunteers per call. The minimum hourly pay was \$11 and \$11 per hour for 2020 and 2019, respectively. The hours provided by officers approximated 2,444 at an hourly rate of \$11 for the years ended December 31, 2020 and 2019. The hours provided by captains and assistant chiefs approximated 1,560 at an hourly rate of \$11 for the years ended December 31, 2020 and 2019. The total resulting values for volunteer firefighting services of \$56,048 and \$57,110 for the years ended December 31, 2020 and 2019, respectively, is reported as

This value should be recognized as the minimum value of volunteer services, as it includes only the time volunteers were actually responding to calls for assistance. No value has been placed on overtime or downtime maintenance. The actual cost of replacing the fire company's volunteers with paid firefighters would be significantly higher.

All members of the Board of Directors serve without compensation.

5. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS:

The fire company manages its liquidity by operating within a prudent range of financial stability, maintaining adequate liquidity to fund near-term operations, and maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged. As of December 31, 2020, financial assets available for expenses within one year of the statement of financial position date consist of cash in the amount of \$3,524,230. As of December 31, 2019, financial assets available for expenses within one year of the statement of financial position date consist of cash in the amount of \$3,694,491.

6. RETIREMENT PLAN:

The fire company has a contributory retirement plan covering all paid employees with at least one year of service. Eligible employees must contribute 3% of their gross salary to be eligible for employer matching contributions. The fire company contributes 3% of participating employees' annual salaries. The retirement expense for the plan for the years ended December 31, 2020 and 2019, was \$40,929 and \$30,179, respectively.

7. EXPENSES PAID BY OTHERS:

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

MARRERO-HARVEY VOLUNTEER FIRE COMPANY NO. 1  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020 AND 2019

8. USE OF ESTIMATES:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 expenses during the reporting period. Actual results could differ from those estimates.

9. UNCERTAINTIES:

A novel strain of coronavirus was reported in New Orleans in March 2020, and continues to spread throughout the United States. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration. The related financial impact and duration cannot be reasonably estimated at this time.

10. SUBSEQUENT EVENTS:

Management has evaluated subsequent events through June 25, 2021, which is the date on which the financial statements were available to be issued, and determined no events occurred that would have significantly affected these financial statements.



**SUPPLEMENTARY INFORMATION**

MARRERO-HARVEY VOLUNTEER FIRE COMPANY NO. 1  
SUPPLEMENTARY INFORMATION  
SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS  
TO AGENCY HEAD  
FOR THE YEAR ENDED DECEMBER 31, 2020

**Agency Head Name:**

**Don Robertson, Fire Chief**

<b><u>Purpose</u></b>	<b><u>Amount</u></b>
Salary	\$ 103,564
Benefits - insurance	24,992
Benefits - retirement	3,106
Per diem	-
	\$ <u><u>131,662</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 25, 2021

To the Board of Directors  
Marrero-Harvey Volunteer Fire Company No. 1

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Marrero-Harvey Volunteer Fire Company No. 1 (a Louisiana nonprofit organization), which comprise the statement of financial position as of 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 25, 2021.

### Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Marrero-Harvey Volunteer Fire Company No. 1's 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 Marrero-Harvey Volunteer Fire Company No. 1's internal control. Accordingly, we do not express an opinion on the effectiveness of the Marrero-Harvey Volunteer Fire Company No. 1'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 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 the Marrero-Harvey Volunteer Fire Company No. 1's financial statements are free from 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 Marrero-Harvey Volunteer Fire Company No. 1'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 Marrero-Harvey Volunteer Fire Company No. 1'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.

*Duplantier, Hopmann, Hogan & Rater LLP*

New Orleans, Louisiana

MARRERO-HARVEY VOLUNTEER FIRE COMPANY NO. 1  
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 the Marrero-Harvey Volunteer Fire Company No. 1 for the year ended December 31, 2020 was unmodified.
  
2. Internal Control  
Material weaknesses: none noted  
Significant deficiencies: none noted
  
3. Compliance  
Noncompliance material to financial statements: none noted

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

None noted

MARRERO-HARVEY VOLUNTEER FIRE COMPANY NO. 1  
STATUS OF PRIOR YEAR FINDINGS  
FOR THE YEAR ENDED DECEMBER 31, 2020

SUMMARY OF PRIOR YEAR FINDINGS:

None noted