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

ANNUAL FINANCIAL REPORT

Year Ended December 31, 2025

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INDEPENDENT AUDITOR'S REPORT

To the President and Board of Directors of
Avondale Volunteer Fire Company, Inc.
d/b/a Fire Protection District No. 7 of Jefferson Parish – Avondale Division
Avondale, Louisiana

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and the major fund of the Avondale Volunteer Fire Company, Inc. d/b/a Fire Protection District No. 7 of Jefferson Parish – Avondale Division, as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the Avondale Volunteer Fire Company, Inc. d/b/a Fire Protection District No. 7 of Jefferson Parish – Avondale Division's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the of the governmental activities, and the major fund of the Avondale Volunteer Fire Company, Inc. d/b/a Fire Protection District No. 7 of Jefferson Parish – Avondale Division, as of December 31, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Avondale Volunteer Fire Company, Inc. d/b/a Fire Protection District No. 7 of Jefferson Parish – Avondale Division, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Avondale Volunteer Fire Company, Inc. d/b/a Fire Protection District No. 7 of Jefferson Parish – Avondale Division's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Avondale Volunteer Fire Company, Inc. d/b/a Fire Protection District No. 7 of Jefferson Parish – Avondale Division's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Avondale Volunteer Fire Company, Inc. d/b/a Fire Protection District No. 7 of Jefferson Parish – Avondale Division's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 - 17 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Avondale Volunteer Fire Company, Inc. d/b/a Fire Protection District No. 7 of Jefferson Parish – Avondale Division's basic financial statements. The accompanying General Fund Schedule of Revenues, General Fund Schedule of Expenditures and Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 basic 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 our opinion, the General Fund Schedule of Revenues, General Fund Schedule of Expenditures and the Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2026, on our consideration of the Avondale Volunteer Fire Company, Inc. d/b/a Fire Protection District No. 7 of Jefferson Parish – Avondale Division's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Avondale Volunteer Fire Company, Inc. d/b/a Fire Protection District No. 7 of Jefferson Parish – Avondale Division d/b/a Fire Protection District No. 7 of Jefferson Parish – Avondale Division's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Avondale Volunteer Fire Company, Inc.'s internal control over financial reporting and compliance.

Camnetar & Co.

Camnetar & Co., CPAs
a professional accounting corporation

Gretna, Louisiana
June 30, 2026

MANAGEMENT'S DISCUSSION AND ANALYSIS

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2025

As management of Avondale Volunteer Fire Company, Inc. ("AVF"), a non-profit entity d/b/a Fire Protection District No. 7 of Jefferson Parish – Avondale Division, we offer readers of AVF'S financial statements this narrative overview and analysis of the financial activities of AVF for the fiscal year ended December 31, 2025. We encourage readers to consider the information presented here in conjunction with the financial statements.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-wide financial statements

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

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

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

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

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

Fund financial statements

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

OVERVIEW OF THE FINANCIAL STATEMENTS

Fund financial statements

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

Governmental funds

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

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

AVF maintains only one fund (the General Fund). Information is presented in the governmental fund balance sheet and in the governmental statement of revenues, expenditures, and changes in fund balances for the General fund. AVF is a "quasi-public" entity and is not required to adopt an annual budget. Thus, a budgetary comparison statement is not shown.

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.

Supplemental Information

General Fund schedules are included to provide additional detailed financial information and support further analysis of the General Fund. The state-mandated Schedule of Compensation and Other Payments to Agency Head or Chief Executive Officer is also included in accordance with reporting requirements.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2025

FINANCIAL SUMMARY AND ANALYSIS – GOVERNMENT WIDE FINANCIAL STATEMENTS

Governmental Activities – Net Position

Net position is one indicator of a government's financial position over time. As of December 31, 2025, AVF's assets exceeded its liabilities by $626,243, as presented in the Statement of Net Position. AVF reported no deferred outflows of resources or deferred inflows of resources at December 31, 2025 or 2024.

Of AVF's total net position, $93,680 (15 percent) represents its net investment in capital assets, including land, buildings, furniture and fixtures, heavy equipment, and vehicles. These capital assets are used to provide fire protection services and are not available for spending. The remaining $532,563 (85 percent) is classified as unrestricted net position and is available to fund AVF's ongoing operations, services, and other obligations.

CONDENSED STATEMENTS OF NET POSITION

	Governmental Activities 2025	Governmental Activities 2024	$ Increase (Decrease)	% Increase (Decrease)
Cash	$ 576,869	$ 542,011	$ 34,858	6.4%
Capital assets	93,680	53,008	40,672	76.7%
Total Assets	670,549	595,019	75,530	12.7%
Current liabilities	25,516	36,498	(10,982)	-30.1%
Long-term liabilities	18,790	21,476	(2,686)	-12.5%
Total Liabilities	44,306	57,974	(13,668)	-23.6%
Net Position				
Invested in capital assets, net of related debt	93,680	53,008	40,672	76.7%
Unrestricted	532,563	484,037	48,526	10.0%
Total Net Position	$ 626,243	$ 537,045	$ 89,198	16.6%

FINANCIAL SUMMARY AND ANALYSIS – GOVERNMENT WIDE FINANCIAL STATEMENTS

Governmental Activities – Statement of Activities

AVF's net position increased by $89,198, or 17 percent, during the current fiscal year. The increase was primarily attributable to revenues exceeding expenses for the year.

Total revenues increased by $13,978, or approximately 1 percent, compared to the prior fiscal year. Total expenses decreased by $60,906, or approximately 5 percent, from the prior fiscal year. The combination of increased revenues and reduced expenses contributed to the overall improvement in AVF's financial position.

CONDENSED STATEMENTS OF ACTIVITIES

	Governmental Activities 2025	Governmental Activities 2024	$ Increase (Decrease)	% Increase (Decrease)
Revenues				
Program revenues				
Operating grants and contributions	$ 1,154,204	$ 1,195,054	(40,850)	-3.4%
Capital grants and contributions	94,924	25,766	69,158	268.4%
General revenues				
Unrestricted interest	43	38	5	13.2%
Miscellaneous	34,667	49,002	(14,335)	-29.3%
Total revenues	1,283,838	1,269,860	13,978	1.1%
Expenses				
Public safety	1,194,640	1,255,546	(60,906)	-4.9%
Total expenses	1,194,640	1,255,546	(60,906)	-4.9%
Change in net position	89,198	14,314	74,884	523.2%
Net position - beginning of year	537,045	522,731	14,314	2.7%
Net position - end of year	$ 626,243	$ 537,045	$ 89,198	16.6%

AVONDALE VOLUNTEER FIRE COMPANY, INC.
d/b/a
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MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2025

FINANCIAL SUMMARY AND ANALYSIS – GOVERNMENT WIDE FINANCIAL STATEMENTS

Governmental Activities - Revenues

As shown in the schedule below, total revenues increased by $13,978, or approximately 1 percent, compared to the prior fiscal year. The primary factors contributing to the increase are summarized below:

- Ad valorem tax revenues received through a cooperative endeavor agreement with Jefferson Parish totaled $1,122,800, increased $37,000 from the prior year. Under the agreement, the Parish levies the ad valorem tax within the District and remits a fixed monthly allocation to AVF based on estimated tax collections.
- Capital grant revenues increased due to the receipt of $30,924 in capital grant funding and a $64,000 tools grant from Jefferson Parish.
- Donations totaled $10,908 during the current fiscal year.
- Dividends received from Louisiana Workers' Compensation Corporation (LWCC) related to the workers' compensation insurance policy decreased by $12,635 compared to the prior fiscal year.
- Disaster assistance from the federal government related to Hurricane decreased by $79,119 compared to the previous fiscal year.

SCHEDULE OF REVENUES

	Revenues 2025	Revenues 2024	$ Increase (Decrease)	% Increase (Decrease)
Intergovernmental				
Federal				
FEMA - Disaster Hurricane Ida	$ 4,183	$ 83,302	$ (79,119)	-95.0%
State				
Fire Insurance Rebate	27,221	25,952	1,269	4.9%
Jefferson Parish				
Ad valorem taxes	1,122,800	1,085,800	37,000	3.4%
Capital improvement subsidy	30,924	25,766	5,158	20.0%
Tools Grant	64,000	-	64,000	–
	1,249,128	1,220,820	28,308	2.3%
Interest	43	38	5	13.2%
Miscellaneous				
Worker's compensation dividend	23,464	36,099	(12,635)	-35.0%
Insurance Proceeds	-	12,779	(12,779)	-100.0%
Donations	10,908	-	10,908	0.0%
Miscellaneous	295	124	171	–
	34,667	49,002	(14,335)	-29.3%
TOTAL REVENUES	$ 1,283,838	$ 1,269,860	$ 13,978	1.1%

FINANCIAL SUMMARY AND ANALYSIS – GOVERNMENT WIDE FINANCIAL STATEMENTS

Governmental Activities – Expenses

Public safety expenses totaled $1,194,640, including current-year depreciation expense of $20,157. Total public safety expenses decreased by $60,906, or approximately 5 percent, compared to the prior fiscal year. The significant factors contributing to the decrease are summarized below:

- Personnel and related costs decreased by $74,294, primarily due to reductions in salaries of $26,958 and health insurance costs of $31,995 and a reduction in the cost of $21,746 compared to the prior year relating to implementation of GASB 101 compensated absences
- Station operating expenses decreased by $7,152, primarily due to lower repair and maintenance costs for buildings and the station generator.
- Firefighting operations and supplies increased by $5,075. The increase was primarily attributable to higher expenditures for bunker gear, partially offset by lower costs associated with annual equipment testing, training, and equipment maintenance.
- The $10,129 increase in general and administrative costs over the prior year is due to the increasing cost of property and liability insurance costs.
- The $17,079 increase in vehicle expenses is due to repairs and maintenance on fire engine 746.

A comparison of the AVF's public safety expenses for the current year and prior year are shown below.

PUBLIC SAFETY EXPENSES

	Public Safety Expenses 2025	% of Total	Public Safety Expenses 2024	% of Total	$ Increase (Decrease)	% Increase (Decrease)
Personnel and related costs	$ 933,390	78.1%	$ 1,007,684	80.3%	$ (74,294)	-7.4%
General and administrative costs	107,712	9.0%	97,583	7.8%	10,129	10.4%
Firefighting costs and supplies	31,925	2.7%	26,850	2.1%	5,075	18.9%
Station Expenese	35,688	3.0%	42,840	3.4%	(7,152)	-16.7%
Vehicle Expenses	65,768	5.5%	48,689	3.9%	17,079	35.1%
Depreciation Expense	20,157	1.7%	31,900	2.5%	(11,743)	-36.8%
Total public safety expenses	$ 1,194,640	100.0%	$ 1,255,546	100.0%	$ (60,906)	-4.9%

FINANCIAL SUMMARY AND ANALYSIS – GENERAL FUND FINANCIAL STATEMENTS

Governmental Funds – General Fund Balance Sheet

Governmental funds are reported using the current financial resources measurement focus and are intended to provide information on near-term inflows, outflows, and balances of spendable resources. This information is useful in assessing AVF's financing requirements and its ability to meet current obligations. In particular, unassigned fund balance represents resources available for spending at the Board's discretion and serves as an indicator of financial flexibility.

As of December 31, 2025, the General Fund reported a fund balance of $551,353, an increase of $45,840, or approximately 9 percent, from the prior fiscal year. Of the total fund balance, $346,081 (62 percent) was classified as unassigned and is available to meet AVF's ongoing operating and capital needs at the Board's discretion. The remaining $205,272 was classified as assigned fund balance, reflecting amounts intended for future capital outlay, including the acquisition and replacement of vehicles and firefighting equipment.

CONDENSED BALANCE SHEET - GENERAL FUND

	2025	2024	$ Increase (Decrease)	% Increase (Decrease)
Cash	$ 576,869	$ 542,011	$ 34,858	6.4%
Total Assets	576,869	542,011	34,858	6.4%
Payables	$ 25,516	$ 57,974	(32,458)	-56.0%
Total Liabilities	25,516	57,974	(32,458)	-56.0%
Net Position				
Assigned	205,272	205,272	-	0.0%
Unassigned	346,081	300,241	45,840	15.3%
Total Fund Balance	551,353	505,513	45,840	9.1%
Total Liabilities and Fund Balance	$ 576,869	$ 563,487	$ 13,382	2.4%

AVONDALE VOLUNTEER FIRE COMPANY, INC.
d/b/a
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MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2025

FINANCIAL SUMMARY AND ANALYSIS – GENERAL FUND FINANCIAL STATEMENTS

Governmental Funds – General Fund Statement of Revenues, Expenditures and Changes in Fund Balance

For the fiscal year ended December 31, 2025, AVF's General Fund reported revenues in excess of expenditures of $45,840.

CONDENSED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

	General Fund 2025	General Fund 2024	$ Increase (Decrease)	% Increase (Decrease)
Revenues				
Intergovernmental	1,249,128	1,220,820	28,308	2.3%
Miscellaneous	34,710	49,040	(14,330)	-29.2%
Total revenues	1,283,838	1,269,860	13,978	1.1%
Expenditures				
Public safety	1,237,998	1,223,646	14,352	1.2%
Total expenditures	1,237,998	1,223,646	14,352	1.2%
Excess revenues over expenditures	45,840	46,214	(374)	-0.8%
Fund balance - beginning of year, restated	505,513	459,299	46,214	10.1%
Fund balance - end of year	$ 551,353	$ 505,513	45,840	9.1%

General Fund – Revenues

General Fund revenues are consistent with the revenues reported for governmental activities in the government-wide financial statements and, therefore, do not differ from the amounts discussed in the preceding section.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2025

FINANCIAL SUMMARY AND ANALYSIS – GENERAL FUND FINANCIAL STATEMENTS

General Fund – Expenditures

The reconciliation of General Fund expenditures to governmental activities expenses includes the following reconciling items: (1) depreciation expense, which reflects the annual allocation of the cost of capital assets; (2) capital outlay, which is reported as an expenditure in the General Fund but capitalized and expensed over time in the government-wide statements; and (3) the adjustment for compensated absences, which reflects the change in the long-term liability for earned leave.

As shown below, the General Fund expenditures increased in 2025 by $11,666 or 1% from the prior year, primarily due to the decrease in personnel costs and station expenses.

Capital outlay increased by $60,829 from the prior year.

GENERAL FUND - EXPENDITURES

	Public Safety 2025		Public Safety 2024		$ Increase (Decrease)	% Increase (Decrease)
Personnel and related costs	$ 936,076	78.4%	$ 1,007,684	80.3%	$ (71,608)	-7.1%
General and administrative costs	107,712	9.0%	97,583	7.8%	10,129	10.4%
Firefighting costs and supplies	31,925	2.7%	26,850	2.1%	5,075	18.9%
Station expenses	35,688	3.0%	42,840	3.4%	(7,152)	-16.7%
Vehicle expenses	65,768	5.5%	48,689	3.9%	17,079	35.1%
Capital outlay	60,829	5.1%	-	0.0%	60,829	100.0%
Total	$ 1,237,998	103.6%	$ 1,223,646	97.5%	$ 14,352	1.2%

General Fund – Liquidity

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 General Fund expenditures. Unassigned fund balance represented 26% of total General Fund expenditures at year-end, compared to 23% in the prior year. Total fund balance represented 43% of total General Fund expenditures at year-end, compared to 40% in the prior year.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As of December 31, 2025, AVF's net investment in capital assets totaled $93,683 (net of accumulated depreciation). Capital assets consist of land, buildings, furniture and fixtures, heavy equipment, and vehicles.

During the fiscal year, AVF's net investment in capital assets increased by $40,675, or approximately 77 percent. Capital asset additions totaled $60,829 during the year, while depreciation expense of $20,157 was recognized on capital assets placed in service.

CAPITAL ASSETS (NET OF ACCUMULATED DEPRECIATION)

	Capital Assets 2025	Capital Assets 2024	$ Increase (Decrease)	% Increase (Decrease)
Land	$ 8,834	$ 8,834	$ -	0.0%
Buildings	-	-	-	–
Furniture and fixtures	609	440	169	38.4%
Vehicles and heavy equipment	84,240	43,734	40,506	92.6%
Total	$ 93,683	$ 53,008	$ 40,675	76.7%

Long-term Liabilities

As of December 31, 2025, AVF's long-term liabilities consisted solely of compensated absences. AVF had no outstanding debt or other long-term obligations at the end of the fiscal year.

ECONOMIC FACTORS AND NEXT YEAR'S RATES

The ad valorem tax millage levied by Jefferson Parish for the 2026 tax roll remains unchanged from the prior year. However, pursuant to the cooperative endeavor agreement, AVF's monthly allocation from the Parish increased to $103,567 for the 2026 fiscal year.

REQUEST FOR INFORMATION

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

BASIC FINANCIAL STATEMENTS

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

STATEMENT OF NET POSITION
December 31, 2025

		GOVERNMENTAL ACTIVITIES
ASSETS		
Cash and cash equivalents	$	576,869
Capital assets (net of accumulated depreciation)		
Land		8,834
Buildings		-
Furniture and fixtures		609
Vehicles and firefighting equipment		84,237
Total Capital Assets		93,680
TOTAL ASSETS		670,549
LIABILITIES		
Current liabilities		
Accounts payable and other current liabilities		22,533
Accrued payroll and deductions		2,983
Total Current Liabilities		25,516
Long term liabilities		
Compensated Absences		18,790
Total Long term liabilities		18,790
TOTAL LIABILITIES		44,306
NET POSITION		
Net investment in capital assets		93,680
Unrestricted		532,563
TOTAL NET POSITION	$	626,243

The accompanying notes are an integral part of these statements.

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

STATEMENT OF ACTIVITIES
For the Year Ended 31, 2025

FUNCTION	EXPENSES	PROGRAM REVENUES CHARGES FOR SERVICES	PROGRAM REVENUES OPERATING GRANTS AND CONTRIBUTIONS	PROGRAM REVENUES CAPITAL GRANTS AND CONTRIBUTIONS	NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION PRIMARY GOVERNMENT GOVERNMENTAL ACTIVITIES
Primary Government					
Governmental Activities:					
Public Safety	$ 1,194,640	$ -	$ 1,154,204	$ 94,924	$ 54,488
Total governmental activities	$ 1,194,640	$ -	$ 1,154,204	$ 94,924	54,488
		GENERAL REVENUES			
		Unrestricted interest			43
		Donations			10,908
		Worker's compensation dividend			23,464
		Other			295
		TOTAL GENERAL REVENUES			34,710
		CHANGE IN NET POSITION			89,198
		NET POSITION			
		Beginning of Year			537,045
		End of Year			$ 626,243

The accompanying notes are an integral part of these statements.

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

GOVERNMENTAL FUNDS – GENERAL FUND
BALANCE SHEET
December 31, 2025

		General Fund
ASSETS		
Cash and cash equivalents	$	576,869
TOTAL ASSETS	$	576,869
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	$	22,533
Salaries and related taxes payable		2,983
Total Liabilities		25,516
Fund Balance		
Assigned		205,272
Unassigned		346,081
Total Fund Balance		551,353
TOTAL LIABILITIES AND FUND BALANCE	$	576,869

The accompanying notes are an integral part of these statements.

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

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
For the Year Ended DECEMBER 31, 2025

Amounts reported for governmental activities in the Statement of Net Position are different because:

Total Fund Balances at December 31, 2025 - Governmental Funds	$	551,353
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets is $644,003 and the accumulated depreciation is $550,323		93,680
Compensated absences are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds. The amount reported in this reconciliation represents the long-term compensated absences liability that is recorded in the government-wide statement of net position.		(18,790)
Total Net Position of Governmental Activities at December 31, 2025	$	626,243

The accompanying notes are an integral part of these statements.

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

GOVERNMENTAL FUNDS – GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
For the Year Ended December 31, 2025

	General Fund
REVENUES	
Intergovernmental	$ 1,249,128
Interest	43
Miscellaneous	34,667
TOTAL REVENUES	1,283,838
EXPENDITURES	
Current	
Public Safety	
Personnel and related costs	936,076
General and administrative costs	107,712
Firefighting costs and supplies	31,925
Station Expenses	35,688
Vehicle Expenses	65,768
Capital outlay	60,829
TOTAL EXPENDITURES	1,237,998
EXCESS OF REVENUES OVER EXPENDITURES	45,840
FUND BALANCE	
Beginning of year, restated	505,513
End of year	$ 551,353

The accompanying notes are an integral part of these statements.

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

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2025

Amounts reported for governmental activities in the Statement of Activities are different because:

Net change in fund balance - total governmental fund	$	45,840
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.		40,672
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. This amount represents the change in compensated absences liability reported in governmental activities.		2,686
Change in net position of governmental activities	$	89,198

The accompanying notes are an integral part of these statements.

NOTES TO FINANCIAL STATEMENTS
December 31, 2025

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

1. Reporting Entity

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

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

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

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2. Government-wide and Fund Financial Statements

Government-wide Financial Statements

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

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

Fund Financial Statements

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

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

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

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

AVF reports the following major governmental funds:

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

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

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

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

4. Budget

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

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

A. *Cash and Investments*

For reporting purposes, AVF considers cash on hand, demand deposits cash and cash equivalents included amounts in demand deposits, time deposits, and certificates of deposit with maturities of three months or less.

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

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. *Inventories*

The cost of materials and supplies acquired by AVF are recorded as expenditures at the time of purchase. It is management's opinion that the inventory of such materials and supplies at December 31, 2025 would not be material to the financial statements.

C. *Capital Assets*

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental activities column in the government-wide financial statements. Capital assets are defined by AVF as assets with an initial, individual cost of more than $1,000 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:

Asset Category	Useful Life in Years
Buildings and improvements	20
Furniture and fixtures	3 - 5
Vehicles and heavy equipment	3 - 20

All depreciation expense is allocated to the public safety function.

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

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

6. Use of Estimates

Preparation of financial statements in accordance with generally accepted accounting principles requires AVF to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses/expenditures. Actual results could differ from the estimates that were used.

7. Donated Services, Facilities, or Supplies

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

8. Subsequent Events

AVF has evaluated subsequent events through June 30, 2026 the date the financial statements were available to be issued.

9. New Accounting Pronouncements

Recently Adopted Accounting Pronouncements

For the year ended December 31, 2025, the District adopted Governmental Accounting Standards Board (GASB) Statement No. 102, Certain Risk Disclosures, which is effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter. GASB Statement No. 102 establishes note disclosure requirements about a government's vulnerabilities due to certain concentrations and constraints when specified criteria are met. The adoption of GASB Statement No. 102 did not require changes to the District's financial statements.

Recently Issued Accounting Pronouncements Not Yet Adopted

The GASB has issued the following pronouncements that are not yet effective for the District's financial statements for the year ended December 31, 2025. The District has not early implemented these pronouncements:

- GASB Statement No. 103, Financial Reporting Model Improvements, effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. GASB Statement No. 103 improves and updates certain aspects of the financial reporting model, including presentation and disclosure requirements in the basic financial statements.

- GASB Statement No. 104, Disclosure of Certain Capital Assets, effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. GASB Statement No. 104 enhances note disclosures related to certain capital assets to provide financial statement users with more decision-useful information.

- GASB Implementation Guide No. 2025-1, Implementation Guidance Update—2025. Question 4.16 is effective upon issuance; Questions 4.1–4.15, 5.1, and 5.2 are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. GASB Implementation Guide No. 2025-1 provides additional implementation guidance that clarifies and elaborates on previously issued GASB Statements.

- GASB Statement No. 105, Subsequent Events, effective for fiscal years beginning after June 15, 2026, and all reporting periods thereafter; earlier application is encouraged. GASB Statement No. 105 establishes requirements for evaluating and disclosing events that occur after the financial statement date but before the financial statements are issued.

NOTE B - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

1. <u>Compliance with Cooperative Endeavor Agreement</u>

As a quasi-public corporation, AVF is not subject to all of the general statutes governing political subdivisions and other governments within the State of Louisiana. Instead, AVF must comply with the terms and conditions of the cooperative endeavor agreement it has with the Parish of Jefferson. As of December 31, 2025, AVF was in compliance with all of the significant conditions of the agreement.

NOTE C - DETAILED NOTES ON ALL ACTIVITIES AND FUNDS

1. Cash and Cash Equivalents

At December 31, 2025, deposits with financial institutions and cash per books consisted of the following:

	December 31, 2025		
	Cash	Certificates of Deposit	Total
Value of Deposits in Banks	$ 543,489	$ 43,356	$ 586,846
FDIC Insurance	250,000	-	250,000
Uninsured and uncollaterialized bank balances	$ 293,489	$ 43,356	$ 336,846
Total Cash Balances per Books	$ 533,515	$ 43,354	$ 576,869

At December 31, 2025, the AVF's cash and cash equivalents (book balances) total $576,869. These deposits are stated at cost, which approximates market.

Custodial Credit Risk – Deposits. At December 31, 2025, the AVF had $586,846 in deposits (collected bank balances) in one local financial institution. These deposits were not fully secured from risk. The uninsured bank balances were $336,846 at December 31, 2025.

AVF has not formally adopted deposit and investment policies that limit allowable deposits or investments or address its exposure to custodial credit risk, credit risk, concentration of credit risk, or interest rate risk. AVF manages deposits and investments in accordance with applicable legal and contractual requirements.

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

2. Capital Assets

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

	Balance December 31, 2024	Additions	Deletions	Balance December 31, 2025
Governmental Activities				
Capital assets, not being depreciated				
Land	$ 8,834	$ -	$ -	$ 8,834
Total capital assets, not being depreciated	8,834	-	-	8,834
Capital assets, being depreciated				
Buildings	53,438	-	-	53,438
Furniture and fixtures	84,676	398	-	85,074
Vehicles and heavy equipment	436,226	60,431	-	496,657
Total capital assets, being depreciated	574,340	60,829	-	635,169
Less accumulated depreciation				
Buildings	53,438	-	-	53,438
Furniture and fixtures	84,236	229	-	84,465
Vehicles and heavy equipment	392,492	19,928	-	412,420
Total accumulated depreciation	530,166	20,157	-	550,323
Total capital assets, being depreciated, net	44,174	40,672	-	84,846
Total governmental activities, capital assets, net	$ 53,008	$ 40,672	$ -	$ 93,680

In the current year, the AVF recorded depreciation expense of $20,157.

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

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

3. Compensated Absences

Accumulated vacation leave is accrued as an expense of the period in which it is incurred. Employees of AVF earn vacation pay based on an employee's length of employment and is earned ratably during the span of employment. Upon termination, employees are paid full value for any accrued general leave earned.

At December 31, 2025, employees accumulated and vested $18,790 of annual leave benefits, which is recorded as a long-term liability in the Statement of Net Position.

4. Changes in Long-Term Liabilities

The following is a summary of changes in long-term liabilities for the year ended December 31, 2025.

	Beginning Balance	Increase (Decrease)	Ending Balance	Due within One Year
Compensated Absences	$ 21,476	$ (2,686)	$ 18,790	$ -

5. Fund Balance Components

Per Note A., AVF follows the requirements of Government Accounting Standards Board (GASB) Codification Section 1800 In accordance with this section, in the fund financial statements, fund balances of the governmental fund types are categorized into one of five categories - Non-spendable, Restricted, Committed, Assigned, or Unassigned. AVF is reporting $205,272 as *assigned* fund balance. These funds are assigned for future capital outlay purposes. Monies are being set aside by management for the replacement of vehicles and firefighting equipment.

6. Restatement of Beginning Fund Balance

During the year ended December 31, 2025, AVF the General Fund beginning fund balance required restatement to correct an error in the prior-year financial statements. In the prior year, AVF recorded the full compensated absences liability in the General Fund balance sheet. Governmental funds should report compensated absences only to the extent the liability normally is expected to be liquidated with expendable available financial resources; the remaining long-term liability is reported in governmental activities, not in the General Fund. The effect of the correction on the General Fund beginning fund balance was as follows:

	General Fund
Beginning fund balance, previously reported	$ 484,037
Correction of compensated absences laibility	21,476
Beginning fund balance, as restated	$ 505,513

NOTE D - ECONOMIC DEPENDENCE

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

The remittance to AVF from the Parish of this millage during 2025 totaled $1,122,800 or 88% of its total General Fund revenues. In addition to the millage remittance Jefferson Parish provided $30,924 for capital subsidy and $64,000 for tools grant.

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

NOTE E - COMMITMENTS AND CONTINGENCIES

1. Risk Management

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

2. Litigation

   There is no known litigation pending against AVF at December 31, 2025.

NOTE G - OTHER INFORMATION

1. Retirement

   AVF employees participate in the Social Security System. Employees contribute 6.25% of covered compensation through payroll withholdings, and AVF contributes an additional 6.25% as the employer. During the fiscal year, total contributions remitted to the Social Security System were $46,962, of which $23,481 represented employee contributions withheld from payroll and $23,481 represented AVF's employer contribution. AVF does not guarantee the benefits granted by the Social Security System.

NOTE G - OTHER INFORMATION

2. Deferred Compensation

   AVF offers its employees a deferred compensation plan (the "plan") created in accordance with Internal Revenue Code (IRC) Section 457b. The plan, available to all employees, permits them to defer a portion (up to 6%) of their salary until future years. AVF matches the contribution up to 4%. For 2025, employees contributed $41,673 to the plan and the employer match resulted in an expenditure of $26,047. The deferred compensation is not available to employees until termination, retirement, death, or an unforeseeable emergency.

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

3. Expenditures Paid by Others

   The full-time firefighters of the Fire Department who meet certain requirements receive supplemental pay from the State of Louisiana under the provisions of LRS 33:2002. The State pays this supplemental pay directly to the firefighters; therefore, the expense does not pass through these financial statements. State supplemental payments made to Fire Department employees totaled $62,584 for the year ended December 31, 2025. The supplemental pay is included in the taxable income of the firefighters so that federal and state taxes may be applied.

SUPPLEMENTAL INFORMATION

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

GENERAL FUND SCHEDULE OF REVENUES
For the Year Ended December 31, 2025

	General Fund
Intergovernmental	
Federal	
FEMA - Disaster Hurricane Ida	4,183
State	
Fire Insurance Rebate	27,221
Jefferson Parish	
Direct payments - ad valorem taxes	1,122,800
Direct payments - capital improvement subsidy	30,924
Direct payments - tools grant	64,000
Total Intergovernmental Revenues	1,249,128
Interest	43
Miscellaneous	
Worker's compensation dividend	23,464
Donations	10,908
Miscellaneous - other	295
Total Miscellaneous Revenues	34,667
Total Revenues	$ 1,283,838

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

GENERAL FUND SCHEDULE OF EXPENDITURES
For the Year Ended December 31, 2025

	General Fund
Public Safety	
Personnel and related costs	
Salaries - regular	$ 592,679
Salaries - overtime	33,361
Salaries - vacation buy-back	3,934
Salaries - tenure	4,550
Salaries - sick pay	10,088
Compensated absences	-
Payroll taxes	55,194
Retirement	24,862
Health insurance	136,855
Unemployment insurance	94
Workmens' compensation	70,851
Uniforms and shirts	3,223
Physicals & drug testing	385
	936,076
General and administrative costs	
Accounting and legal	9,900
Bank charges	1,002
Insurance - auto	18,239
Insurance - general and liability	63,504
Membership dues	19
Miscellaneous	120
Office and computer supplies	13,477
Professional services - other	63
Telephone	1,388
	107,712
Firefighting costs and supplies	
Annual equipment testing	7,456
Apparel	248
Bunker gear	20,004
Fire prevention week costs	1,512
Firefighting supplies	920
Maintenance - radios & equipment	340
Training	1,445
	31,925

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

GENERAL FUND SCHEDULE OF EXPENDITURES
For the Year Ended December 31, 2025

	General Fund
Public Safety	
Station Expenses	
Food and beverages	3,286
Repair & maintenance buildings	5,378
Repair & maintenance generator	1,604
Repair & maintenance lawn equipment	-
Station supplies	3,762
Utilities	21,658
	35,688
Vehicle Expenses	
Gas and oil	8,689
R & M - vehicles	57,079
	65,768
Capital outlay	
Furniture and fixtures	398
Vehicles and equipment	60,431
	60,829
Total Expenditures	$ 1,237,998

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

SCHEDULE OF COMPENSATION AND OTHER PAYMENTS TO AGENCY HEAD OR CHIEF EXECUTIVE OFFICER
For the Year Ended December 31, 2025

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

Purpose	Amount	
Salary	$ 72,928	
State Supplemental Pay	7,477	
Benefits - Group Health Insurance	14,336	
Benefits - Payroll Taxes	6,436	
Benefits - Deferred compensation	3,664	
Car Allowance	-	
Vehicle Provided by Agency	-	(1)
Per Diem	-	
Reimbursements	-	
Travel	-	
Registration Fees	-	
Conference Travel	-	
Housing	-	
Unvouchered Expenses	-	
Special Meals	-	
Other	-	

Notes to Schedule

(1) AVF provides the Fire Chief with a take-home vehicle, however, no amount is considered taxable under the IRS rules for vehicles provided to firefighters. The use of the vehicle is considered to be a "working condition benefit". The vehicle meets the definiton of "qualified non-personal use vehicle". Use of the vehicle is limited to in-parish travel and personal use is typically only made of commuting. The truck is primarily used for public safety purposes. The vehicle is also clearly marked with insignias and painted as a firefighter vehicle.

COMPLIANCE SECTION

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Society of Louisiana Certified Public Accountants

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the major fund of the Avondale Volunteer Fire Company, Inc. d/b/a Fire Protection District No. 7 of Jefferson Parish - Avondale Division, as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise Avondale Volunteer Fire Company, Inc. d/b/a Fire Protection District No. 7 of Jefferson Parish - Avondale Division's basic financial statements, and have issued our report thereon dated June 30, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Avondale Volunteer Fire Company, Inc. d/b/a Fire Protection District No. 7 of Jefferson Parish - Avondale Division's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Avondale Volunteer Fire Company, Inc. d/b/a Fire Protection District No. 7 of Jefferson Parish - Avondale Division's internal control. Accordingly, we do not express an opinion on the effectiveness of Avondale Volunteer Fire Company, Inc. d/b/a Fire Protection District No. 7 of Jefferson Parish - Avondale Division's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be a material weakness. We identified certain deficiencies in internal control, as described in the accompanying schedule of findings and responses as items 2025-1 and 2025-2, that we consider to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Avondale Volunteer Fire Company, Inc. Avondale Volunteer Fire Company, Inc. d/b/a Fire Protection District No. 7 of Jefferson Parish - Avondale Division's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Avondale Volunteer Fire Company, Inc. d/b/a Fire Protection District No. 7 of Jefferson Parish - Avondale Division*'s *Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Avondale Volunteer Fire Company, Inc. d/b/a Fire Protection District No. 7 of Jefferson Parish - Avondale Division's response to the findings identified in our audit and described in the accompanying schedule of findings and responses. Avondale Volunteer Fire Company, Inc. d/b/a Fire Protection District No. 7 of Jefferson Parish - Avondale Division's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Avondale Volunteer Fire Company, Inc. d/b/a Fire Protection District No. 7 of Jefferson Parish - Avondale Division's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

Camnetar & Co.

Camnetar & Co., CPAs
a professional accounting corporation

Gretna, Louisiana
June 30, 2026

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

SCHEDULE OF FINDINGS AND RESPONSES
For the Year Ended December 31, 2025

SECTION I - SUMMARY OF AUDITOR'S REPORTS

A. Financial Statements

We have audited the financial statements of the Avondale Volunteer Fire Company, Inc. (AVF) as of and for the year ended December 31, 2025, and have issued our report thereon dated June 30, 2026. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. My audit of the financial statements as of December 31, 2025 resulted in an unmodified opinion.

Internal control over financial reporting

- Material weakness(es) identified? ☐ Yes ☒ No
- Significant deficiency(ies) identified? ☒ Yes ☐ No

Noncompliance material to financial statements noted? ☐ Yes ☒ No
Was a management letter issued? ☐ Yes ☒ No

B. Federal Awards

This section not applicable. AVF did not expend over $1,000,000 of federal funds that are subject to a single audit under the Uniform Guidance for the year ended December 31, 2025.

SECTION II - FINANCIAL STATEMENT FINDINGS

A. Material Weakness

During our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses.

B. Significant Deficiencies

2025-1 Inadequate Segregation of Duties

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

Condition – Due to the limited size of AVF's staff, duties over cash receipts, cash disbursements, payroll, and financial reporting are not adequately segregated.

SCHEDULE OF FINDINGS AND RESPONSES
For the Year Ended December 31, 2025

SECTION II - FINANCIAL STATEMENT FINDINGS

B. Significant Deficiencies

2025-1 Inadequate Segregation of Duties

Cause - AVF's Fire Chief performs many of the key responsibilities within the cash receipts, cash disbursements, payroll, and financial reporting cycles. AVF has implemented certain compensating controls, including review and initialing of bank reconciliations by another individual, dual signatures on checks, monthly presentation of budget-to-actual reports, and monthly review of general ledger postings by an outside certified public accountant.

Effect – The lack of adequate segregation of duties increases the risk that errors or fraud could occur and not be prevented, or detected and corrected, in a timely manner.

Recommendation - While hiring additional personnel may not be cost-beneficial, the Board should continue to monitor financial activity and maintain documented compensating controls, including review of bank reconciliations, approval of disbursements, review of payroll activity, and review of monthly financial reports..

Management's Response: Management concurs with the finding. Due to the limited size of AVF's operations, management has determined that hiring additional personnel is not cost-beneficial at this time. The Board is aware of the condition and will continue to monitor AVF's financial activity on a timely basis through its existing compensating controls.

2025-2 Preparation of Financial Statements by Auditor

Criteria - Management is responsible for establishing and maintaining internal control over financial reporting, including controls to support the preparation, review, and approval of financial statements and related disclosures.

Condition - AVF does not have internal controls and personnel with sufficient financial reporting expertise to adequately oversee and review the annual financial statements and related disclosures. As a result, AVF engages the auditor to assist with the preparation of its annual financial statements. Auditor assistance with financial statement preparation does not automatically create a deficiency; however, the lack of internal controls and personnel to review and approve the financial statements and disclosures increases the risk of undetected misstatement.

Cause - Due to limited staffing and funding, AVF has not designated or trained personnel with sufficient expertise to prepare, review, and approve the financial statements and related disclosures I.

Effect - There is an increased risk that errors or omissions in the financial statements and related disclosures may not be prevented, or detected and corrected, on a timely basis.

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

SCHEDULE OF FINDINGS AND RESPONSES
For the Year Ended December 31, 2025

SECTION II - FINANCIAL STATEMENT FINDINGS

B. Significant Deficiencies

2025-2 Preparation of Financial Statements by Auditor

Recommendation Auditing standards require us to report this condition as a control deficiency. 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 the auditing standards. We do not believe that curing the weakness described in this finding would be cost effective or practical and accordingly, we do not believe any corrective action is necessary

Management's Response AVF's management and board members are familiar with day-to-day accounting requirements and monthly reporting; however, due to limited staffing and funding, management does not consider it practical to provide sufficient training or staffing to eliminate this condition at this time and will continue to rely on the auditor to assist with preparation of the financial statements.

C. Compliance

The results of our tests disclosed no instances of noncompliance that are required to be reported.

D. Management Letter

This section not applicable, no management letter was issued.

SECTION III FEDERAL AWARDS

The requirements of the Uniform Guidance are not applicable.

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

SCHEDULE OF PRIOR YEAR FINDINGS
For the Year Ended December 31, 2025

<u>SECTION I - FINANCIAL STATEMENT FINDINGS</u>

A. Material Weakness

No findings were reported under this section

B. Significant Deficiencies

<u>2024-1 - Inadequate Segregation of Duties</u>

Current Status - Unresolved. See item 2025-1

<u>2024-2 Preparation of Financial Statements by Auditor</u>

Current Status - Unresolved. See item 2025-2

C. Compliance

No findings were reported under this section

D. Management Letter

No findings were reported under this section

<u>SECTION II FEDERAL AWARD FINDINGS AND QUESTIONED COSTS</u>

This section was not applicable.

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the President and Board of Directors of
Avondale Volunteer Fire Company, Inc.
d/b/a Fire Protection District No. 7 of Jefferson Parish – Avondale Division
Avondale, Louisiana and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2025 through December 31, 2025. Avondale Volunteer Fire Company Inc. d/b/a Fire Protection District No. 7 of Jefferson Parish – Avondale Division. Avondale Volunteer Fire Company, Inc.'s management is responsible for those C/C areas identified in the SAUPs.

Avondale Volunteer Fire Company, Inc. has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period January 1, 2025 through December 31, 2025. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The exceptions identified as a result of the agreed-upon procedures performed, together with management's responses, are presented at the end of this report.

1) Written Policies and Procedures

A. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:

i. ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.

ii. ***Purchasing***, including (1) how purchases are initiated, (2) how vendors are added to the vendor list, (3) the preparation and approval process of purchase requisitions and purchase orders, (4) controls to ensure compliance with the Public Bid Law, and (5) documentation required to be maintained for all bids and price quotes.

iii. ***Disbursements***, including processing, reviewing, and approving.

iv. ***Receipts/Collections***, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

v. ***Payroll/Personnel***, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee rates of pay or approval and maintenance of pay rate schedules.

vi. ***Contracting***, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.

vii. ***Travel and Expense Reimbursement***, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.

viii. ***Credit Cards (and debit cards, fuel cards, purchase cards, if applicable)***, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).

ix. ***Ethics***, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.

x. ***Debt Service***, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

xi. ***Information Technology Disaster Recovery/Business Continuity***, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

xii. ***Prevention of Sexual Harassment***, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

2) Board or Finance Committee

A. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and

i. Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

ii. For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual comparisons, at a minimum, on all proprietary funds, and semi-annual budget-to-actual comparisons, at a minimum, on all special revenue funds. *Alternatively, for those entities reporting on the not-for-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*

iii. For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

iv. Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

3) Bank Reconciliations

A. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:

i. Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);

ii. Bank reconciliations include written evidence that a member of management or a board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation within 1 month of the date the reconciliation was prepared (e.g., initialed and dated or electronically logged); and

iii. Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

4) Collections (excluding electronic funds transfers)

A. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

B. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (e.g., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if there are no written policies or procedures, then inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that

i. Employees responsible for cash collections do not share cash drawers/registers;

ii. Each employee responsible for collecting cash is not also responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit;

iii. Each employee responsible for collecting cash is not also responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit; and

iv. The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or custodial fund additions, is (are) not also responsible for collecting cash, unless another employee/official verifies the reconciliation.

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

D. Randomly select two deposit dates for each of the 5 bank accounts selected for Bank Reconciliations procedure #3A (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternatively, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and

i. Observe that receipts are sequentially pre-numbered.

ii. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.

iii. Trace the deposit slip total to the actual deposit per the bank statement.

iv. Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than $100 and the cash is stored securely in a locked safe or drawer).

v. Trace the actual deposit per the bank statement to the general ledger.

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

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

B. For each location selected under procedure #5A above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, then inquire of employees about their job duties), and observe that job duties are properly segregated such that

i. At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order or making the purchase;

ii. At least two employees are involved in processing and approving payments to vendors;

iii. The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files;

iv. Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments; and

v. Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.

C. For each location selected under procedure #5A above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction, and

i. Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation indicates that deliverables included on the invoice were received by the entity, and

ii. Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under procedure #5B above, as applicable.

D. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3A, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy. *Note: If no electronic payments were made from the main operating account during the month selected the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.*

6) Credit Cards/Debit Cards/Fuel Cards/Purchase Cards (Cards)

A. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and purchase cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

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

i. Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved) by someone other than the authorized card holder (those instances requiring such approval that may constrain the legal authority of certain public officials, such as the mayor of a Lawrason Act municipality, should not be reported); and

ii. Observe that finance charges and late fees were not assessed on the selected statements.

C. Using the monthly statements or combined statements selected under procedure #7B above, <u>excluding fuel cards</u>, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (e.g., each card should have 10 transactions subject to inspection). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and observe whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

7) Travel and Travel-Related Expense Reimbursements (excluding card transactions)

A. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements and obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected

i. If reimbursed using a per diem, observe that the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov);

ii. If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased;

iii. Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by Written Policies and Procedures procedure #1A(vii); and

iv. Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

8) Contracts

A. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternatively, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and

i. Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law;

ii. Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter);

iii. If the contract was amended (e.g., change order), observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, the documented approval); and

iv. Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

9) Payroll and Personnel

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

B. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under procedure #9A above, obtain attendance records and leave documentation for the pay period, and

i. Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory);

ii. Observe whether supervisors approved the attendance and leave of the selected employees or officials;

iii. Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records; and

iv. Observe the rate paid to the employees or officials agrees to the authorized salary/pay rate found within the personnel file.

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

D. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

10) *Ethics*

A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A obtain ethics documentation from management, and

i. Observe whether the documentation demonstrates that each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and

ii. Observe whether the entity maintains documentation which demonstrates that each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

B. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

11) Debt Service

A. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each debt instrument issued as required by Article VII, Section 8 of the Louisiana Constitution.

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

12) Fraud Notice

A. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled as required by R.S. 24:523.

B. Observe that the entity has posted, on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

13) Information Technology Disaster Recovery/Business Continuity

A. Perform the following procedures, **verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."**

i. Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if there is no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government's local server or network, and (c) was encrypted.

ii. Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if there is no written documentation, then inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.

iii. Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

B. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in Payroll and Personnel procedure #9C. Observe evidence that the selected terminated employees have been removed or disabled from the network.

C. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain cybersecurity training documentation from management, and observe that the documentation demonstrates that the following employees/officials with access to the agency's information technology assets have completed cybersecurity training as required by R.S. 42:1267. The requirements are as follows:

- Hired before June 9, 2020 - completed the training; and
- Hired on or after June 9, 2020 - completed the training within 30 days of initial service or employment.

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

14) Prevention of Sexual Harassment

A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.

B. Observe that the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).

C. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe that the report includes the applicable requirements of R.S. 42:344:

i. Number and percentage of public servants in the agency who have completed the training requirements;
ii. Number of sexual harassment complaints received by the agency;
iii. Number of complaints which resulted in a finding that sexual harassment occurred;
iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
v. Amount of time it took to resolve each complaint.

Exceptions Noted

1) Written Policies and Procedures

- We observed that the entity's written policies and procedures did not include policies and procedures related to receipts and collections. Specifically, written policies addressing the receipt, recording, and deposit of collections, as well as management's procedures for determining the completeness of collections for each revenue source, were not in place.

- We observed that the entity's written policies and procedures did not include an Information Technology Disaster Recovery/Business Continuity plan. Specifically, there were no documented policies addressing the identification of critical data and backup frequency, off-site storage of backups, periodic testing of backup restoration, use of antivirus software, timely application of system and software updates, or the personnel, processes, and tools necessary to recover operations following a critical event.

Exceptions Noted

3) Bank Reconciliations

- We observed that the bank reconciliations did not include written evidence of review by a member of management or a board member who does not handle cash, post ledgers, or issue checks.

4) Collections

- We observed that the employee responsible for collecting cash was also responsible for preparing and making bank deposits. The Fire Chief primarily collects the cash, prepares the bank deposits and records in the accounting system.

- We observed that the employee responsible for collecting cash was also responsible for posting collection entries to the general ledger.

- We observed that the entity did not maintain a bond or insurance policy for theft covering employees who have access to cash during the fiscal period.

5) Non-Payroll Disbursements

- We observed that the employee responsible for processing payments was also responsible for adding and/or modifying vendor files.
- We observed that the employee responsible for processing payments was also responsible for mailing signed checks.

Management's Response

Avondale Volunteer Fire Company, Inc. (AVF) concurs with the exceptions and is working to address the matters identified.

- AVF will develop and implement written policies and procedures addressing the noted areas.
- AVF will implement procedures to ensure that bank reconciliations are reviewed and documented by a board member or other qualified individual within the required timeframe.
- Due to limited staffing, complete segregation of duties over collections and disbursements are not practical. AVF believes compensating controls are in place which are: (1) Monthly reports are submitted to the Board of Directors and (2) the external CPA reconciles the bank statement.
- AVF will evaluate available bonding and insurance coverage options to obtain appropriate theft coverage for employees who have access to cash.

We were engaged by Avondale Volunteer Fire Company, Inc. to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of Avondale Volunteer Fire Company, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

Camnetar & Co.

Camnetar & Co., CPAs
a professional accounting corporation
Gretna, Louisiana
June 30, 2026