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

**ANNUAL FINANCIAL REPORT
Year Ended December 31, 2006**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 7/18/07

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FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

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

I have audited the accompanying financial statements of the governmental activities and each major fund (i.e., the General Fund) of Avondale Volunteer Fire Company, Inc. ("AVF"), a non-profit entity d/b/a Fire Protection District No. 7 of Jefferson Parish - Avondale Division, as of and for the year ended December 31, 2006, which collectively comprise AVF's basic financial statements as listed in the table of contents. These financial statements are the responsibility of AVF's management. My responsibility is to express an opinion on these basic financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of AVF as of December 31, 2006 and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, I have also issued a report dated June 15, 2007, on my consideration of AVF's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of my audit.

The Management's Discussion and Analysis on pages 3 through 11 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. I have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, I did not audit the information and express no opinion on it.

In addition, the individual fund statements and schedules and supplemental information, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Paul C. Rine, CPA

June 15, 2007

AVONDALE VOLUNTEER FIRE COMPANY, INC.
500 SOUTH JAMIE BLVD.
AVONDALE, LA 70094

MANAGEMENT'S DISCUSSION AND ANALYSIS

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, 2006.

We encourage readers to consider the information presented here in conjunction with the financial statements, which begin on page 14.

FINANCIAL HIGHLIGHTS

- The assets of AVF exceeded its liabilities at the close of the most recent fiscal year by \$576,010 (*net assets*). Of this amount, \$306,231 or 53.2 percent is invested in capital assets, such as vehicles and equipment. The remaining balance of \$269,779 (*unrestricted net assets*) or 46.8 percent may be used to meet the government's ongoing obligations to citizens and creditors.
- AVF'S total net assets increased by \$159,999 or 38.5 percent during the current year because total general revenues were more than the net program expenses by that amount.
- As of the close of the current fiscal year, AVF'S governmental fund (the General Fund) reported ending fund balance of \$269,779, an increase of \$68,601 or 34.1 percent in comparison with the prior year. Approximately \$269,779 or 100.0 percent of this total amount is available for spending at the government's discretion (*unreserved fund balance*).
- At the end of the current fiscal year, unreserved fund balance for the general fund was \$269,779 or 42.8 percent of total general fund expenditures. This compares to 36.0 percent last year.
- AVF'S total debt decreased \$30,692 or 48.6 percent during 2006 as the capital lease on the fire truck is nearly paid off.
- Hurricane Katrina struck the area serviced by AVF in August 2005. AVF received reimbursements from FEMA in 2006 for emergency related overtime and equipment usage. See section entitled "Other Potentially Significant Items" for further discussion.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to AVF'S basic financial statements. As noted above, AVF'S adoption of GASB Statement No. 34 significantly changed the format and presentation of AVF'S financial report. 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 Assets" presents information on all of AVF'S assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets 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 assets changed during the most recent fiscal year. All changes in net assets 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.

The government-wide financial statements can be found on pages 14 and 15 of this report.

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

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

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

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

AVF maintains only one fund (the General Fund). Information is presented in the governmental fund balance sheet and in the governmental statement of revenues, expenditures, and changes in fund balances for the General fund.

AVF is a "quasi-public" entity and is not required to adopt an annual budget. Thus, a budgetary comparison statement is not shown.

The basic governmental fund financial statements can be found on pages 14 to 19 of this report.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 21 to 30 of this report.

Other information. Individual fund statements and schedules, which show additional detailed financial information on the General Fund, are found on pages 32 and 33.

Supplemental information. Supplemental Information, which includes the Schedule of Expenditures of Federal Funds, is found on page 36.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of AVF, assets exceeded liabilities by \$576,010 at December 31, 2006.

A large portion of AVF'S net assets (53.2 percent) reflects its investment in capital assets (e.g., land, buildings, furniture and fixtures, vehicles and heavy equipment); less any related debt used to acquire those assets that is still outstanding. AVF used these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although AVF'S investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other resources, since the capital assets themselves cannot be used to liquidate these liabilities.

AVONDALE VOLUNTEER FIRE COMPANY, INC. STATEMENTS OF NET ASSETS

	Governmental Activities <u>2006</u>		Governmental Activities <u>2005</u>	
Current and other assets	\$ 362,564		\$ 202,976	
Capital assets	338,673		277,967	
Total assets	<u>701,237</u>		<u>480,943</u>	
Long-term liabilities outstanding	32,442		63,134	
Other liabilities	92,785		1,798	
Total liabilities	<u>125,227</u>		<u>64,932</u>	
Net assets:				
Invested in capital assets, net of related debt	306,231	53.2%	214,833	51.6%
Restricted	0	0.0%	0	0.0%
Unrestricted	269,779	46.8%	201,178	48.4%
Total net assets	<u>\$ 576,010</u>		<u>\$ 416,011</u>	

The balance of *unrestricted net assets* (\$269,779 or 46.8 percent) may be used to meet the government's ongoing obligations to citizens and creditors.

At December 31, 2006, AVF is able to report positive fund balances in all three categories of net assets.

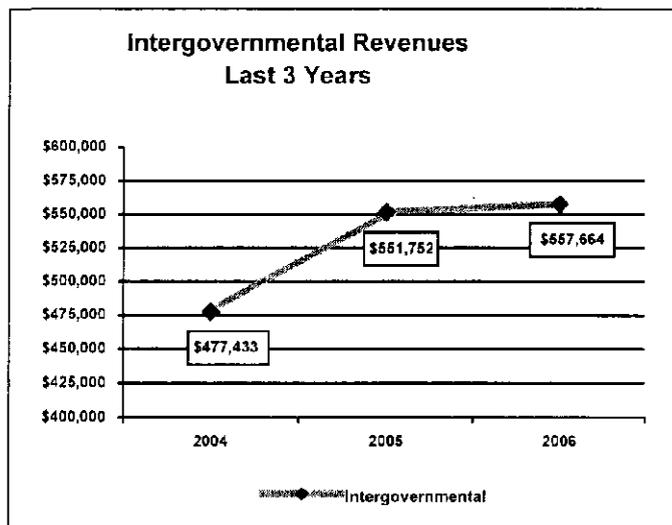
AVF'S net assets increased by \$159,999 during the current fiscal year.

Governmental Activities. Governmental activities increased AVF'S net assets by \$159,999. Key elements of this increase are as follows:

AVONDALE VOLUNTEER FIRE COMPANY, INC.
STATEMENTS OF ACTIVITIES

	Governmental Activities		Governmental Activities	
	2006		2005	
Revenues:				
Program revenues:				
Charges for services	\$ 2,357	0.3%	\$ 738	0.1%
Operating grants and contributions	36,143	5.2%	22,150	3.8%
Capital grants and contributions	93,788	13.4%	-	0.0%
General revenues:				
Intergovernmental	557,664	79.8%	551,752	95.2%
Unrestricted interest	1,719	0.2%	1,189	0.2%
Unrestricted gifts and donations	1,800	0.3%	-	0.0%
Miscellaneous	5,772	0.8%	3,460	0.6%
Total revenues	<u>699,243</u>	<u>100.0%</u>	<u>579,289</u>	<u>82.8%</u>
Expenses:				
Public Safety	539,244	100.0%	579,518	100.0%
Total expenses	<u>539,244</u>	<u>100.0%</u>	<u>579,518</u>	<u>100.0%</u>
Increase in net assets	159,999		(229)	
Net assets - Beginning of year	416,011		416,240	
Net assets - end of year	<u>\$ 576,010</u>		<u>\$ 416,011</u>	

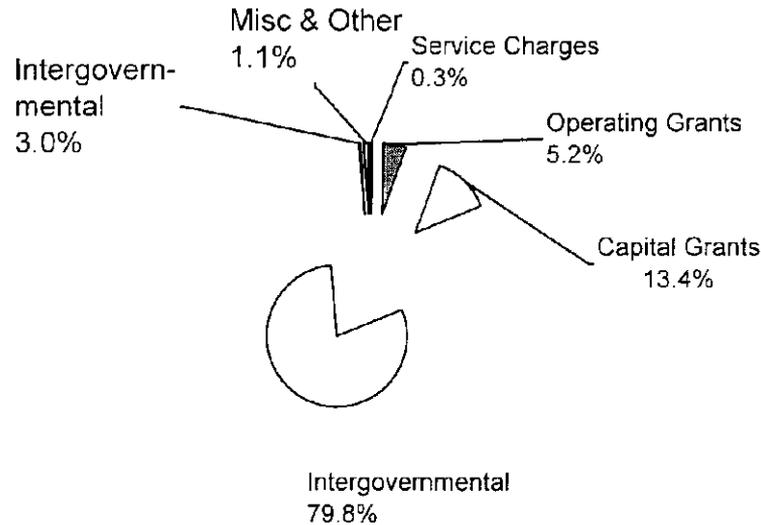
- The program revenue charges for services was \$2,357. The main source of these revenues is sales to citizens from vending machines and from sales of ice.
- Operating grants of \$36,143 relate to FEMA public assistance grants for Hurricane Katrina (in 2005). These reimbursements are for overtime and equipment usage. The capital grant of \$93,788 is for an Office of Homeland Security – Assistance to Firefighters grant.
- Intergovernmental revenues come from the Parish of Jefferson and the State. The Parish levies an ad valorem tax in the District and remits a certain amount to AVF each month to provide funding to the Fire District. This allocation came in at \$504,000 for 2006, the same as the prior year. The Parish also provided \$40,000 towards payment on the capital lease. These monies come from a special 2 mill tax. Finally, the State provided \$13,664 to AVF for fire insurance rebates.



- Miscellaneous income of \$5,772 was made up of various items. Primarily insurance proceeds for Hurricane-related damage to buildings and equipment.

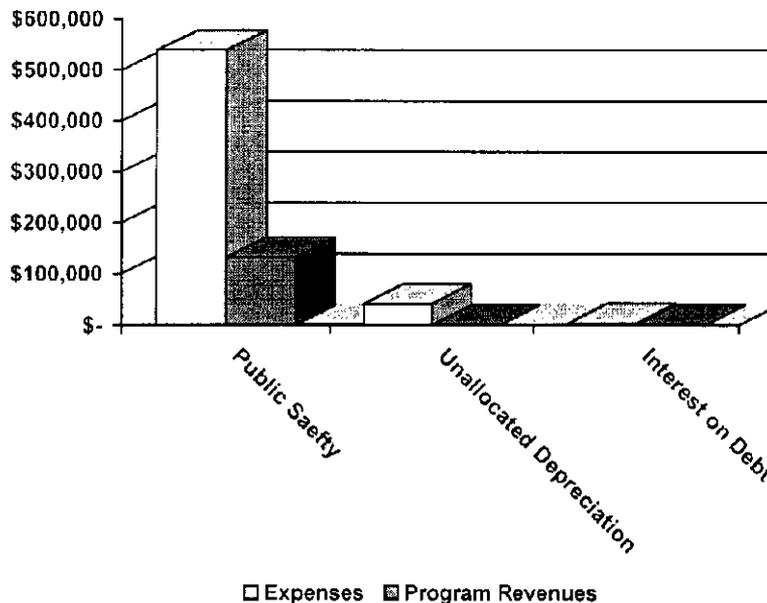
➤ A breakdown of the revenues received by AVF'S governmental activities is as follows:

Revenues by Source - Governmental Activities



Expenses totaled \$539,244, including current year depreciation of \$41,298 and interest on long-term debt of \$3,599. This is a decrease of (\$40,274) from the prior year. As a fire district, the only function AVF provides is the public safety function. The main decrease was seen in salaries and supplies (the prior year was up due to Hurricane Katrina). These expenses of AVF were offset by program revenues - service charges and grants totaling \$2,357 and operating and capital grants of \$36,143 and \$93,788 (see above), leaving a net revenue (cost) to citizens of AVF of (\$406,956). A graph comparing the expenses with the program revenue generated is presented below.

Expenses and Program Revenues by Function/Bureau



FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

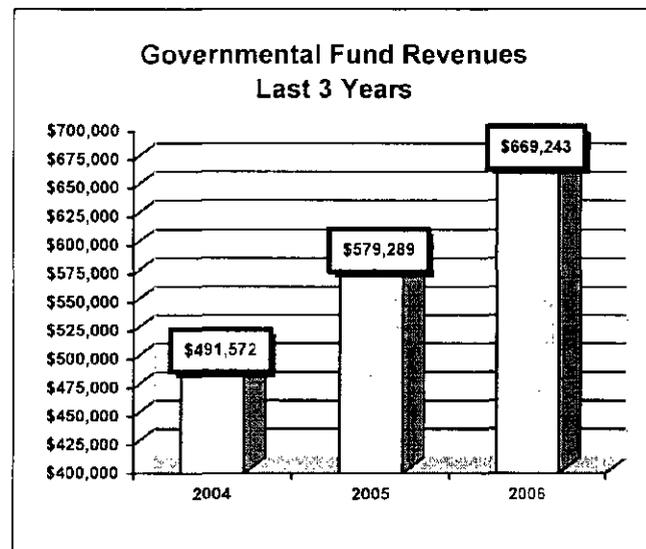
As noted earlier, AVF uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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

As of December 31, 2006, AVF'S governmental fund (i.e., the General Fund) reported ending fund balance of \$269,779, an increase of \$68,601 or 34.1 percent in comparison with the prior year. Approximately \$269,779 or 100.0 percent of this total constitutes *unreserved fund balance*, which is available for spending at the government's discretion.

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

As a measure of the General fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 42.8 percent of total general fund expenditures. This compares to 36.0 percent last year.



The fund balance of AVF'S General fund increased by \$68,601 during the current fiscal year. Key factors in this change are as follows:

- The General Fund's revenues totaled \$699,243 while expenditures totaled \$630,642.
- Revenues increased by \$119,954 over the prior year, mainly because of:
 - Federal grants increased \$107,781 due to FEMA claims for Hurricane Katrina (\$13,993) and the OHS – Assistance to Firefighters Grant (\$93,788).
 - Intergovernmental allocation (i.e., Property taxes) totaled \$504,000, which was the same as last year. The Parish's contribution for the capital lease increased \$3,968 and the State Fire Insurance Rebate was up \$1,944.
 - Miscellaneous income was up \$2,312 due to insurance proceeds for damaged buildings and equipment (radios).

- Expenditures totaled \$630,642, an increase of \$72,051 or 12.9 percent compared to the prior year.
 - Salaries and related costs decreased by (\$22,499) due to hurricane-related overtime not recurring.
 - General and administrative costs were up nearly \$11,754 due to increases in insurance (\$7,258) and miscellaneous expenditures (\$2,720).
 - Firefighting costs and supplies were up \$27 due to an increase of \$2,354 in firefighting supplies and a decrease of (\$2,159) in emergency supplies.
 - Station expenses were down (\$10,803) due to a decrease in hurricane-related repairs and maintenance (\$6,508) and a drop in utilities (\$2,447).
 - Vehicle expenses were down (\$5,590) due to a drop in vehicle repairs and maintenance.
 - Capital outlays were up \$99,162 due primarily to a \$98,725 purchase of firefighting equipment under the OHS – Firefighting Assistance Grant.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets. AVF’S investment in capital assets for its governmental activities as of December 31, 2006 amounts to \$338,673 (net of accumulated depreciation). This investment in capital assets includes land, buildings, furniture and fixtures, heavy equipment, and vehicles. AVF’S investment in capital assets increased by \$60,706 or 21.8 percent this year.

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

- \$3,279 was spent on furniture and fixtures (new A/C unit, freezers, work out equipment, etc).
- \$98,725 was spent on new masks and cylinders under the OHS – Assistance to Firefighters Grant.
- \$41,298 was recognized as depreciation expense.

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

	Governmental Activities	
	2006	2005
Land	\$ 8,834	\$ 8,834
Buildings	3,137	4,706
Furniture and fixtures	3,134	4,259
Vehicles and firefighting equipment	323,568	260,168
Total	\$ 338,673	\$ 277,967

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

Long-term Debt. At the end of 2006, AVF had total outstanding debt of \$32,442. This amount represents the balance on the capital lease payable for the Fire Truck purchased in 1997. In total, AVF’S long-term debt decreased by (\$30,692) due to payments made on the capital lease. Only one payment of \$34,291 remains due. Additional information on AVF’S long-term debt can be found in Note D.4 on page 28.

ECONOMIC FACTORS AND NEXT YEAR'S RATES

- The unemployment rate for the Parish of Jefferson is currently 5.4 percent, which is 1.3 percent higher than it was a year ago.
- Inflationary trends in the region compare favorably to national indices.
- The ad valorem millage rate levied for the 2006 (next year's) tax roll was 26.25 mills. This rate dropped because of a drop in the bond millage rate of 2.12.

OTHER POTENTIALLY SIGNIFICANT ITEMS

On August 29, 2005, Hurricane Katrina struck the New Orleans Metropolitan area and the Mississippi Gulf Coast, including the area serviced by AVF. The employees of AVF worked during and after the storm and incurred claims for overtime and equipment usage of \$56,424. These costs are to be reimbursed by FEMA in the form of a public assistance grant. Additional information is included in Note G on page 30 of the report.

REQUESTS 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.

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BASIC FINANCIAL STATEMENTS

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

STATEMENT OF NET ASSETS
DECEMBER 31, 2006

	GOVERNMENTAL ACTIVITIES
	<hr/>
ASSETS	
Cash and cash equivalents	\$ 212,352
Investments	-
Receivables (net of allowance for uncollectibles)	150,212
Other assets	-
Capital assets (net of accumulated depreciation)	
Land	8,834
Buildings	3,137
Furniture and fixtures	3,134
Vehicles and firefighting equipment	323,568
	<hr/>
TOTAL ASSETS	701,237
	<hr/>
LIABILITIES	
Accounts payable and other current liabilities	98,725
Accrued payroll and deductions	(5,940)
Deferred revenue	-
Noncurrent liabilities:	
Due within one year	32,442
Due in more than one year	-
	<hr/>
TOTAL LIABILITIES	125,227
	<hr/>
NET ASSETS	
Invested in capital assets, net of related debt	306,231
Restricted for:	
Debt service	-
Other	-
Unrestricted	269,779
	<hr/>
TOTAL NET ASSETS	\$ 576,010
	<hr/> <hr/>

The accompanying notes are an integral part of this statement.

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

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2006

FUNCTION	EXPENSES	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS PRIMARY GOVERNMENT GOVERNMENTAL ACTIVITIES
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	
Primary Government Governmental Activities					
Public Safety	\$ 494,347	\$ 2,357	\$ 16,143	\$ 93,788	\$ (362,059)
Unallocated depreciation expense	41,298	-	-	-	(41,298)
Interest on long-term debt	3,599	-	-	-	(3,599)
Total governmental activities	<u>\$ 539,244</u>	<u>\$ 2,357</u>	<u>\$ 16,143</u>	<u>\$ 93,788</u>	<u>(406,956)</u>
GENERAL REVENUES:					
					504,000
					40,000
					13,864
					1,719
					-
					1,800
					5,772
TRANSFERS IN (OUT)					
					<u>506,955</u>
CHANGE IN NET ASSETS					159,999
NET ASSETS					
					416,011
					<u>\$ 576,010</u>

The accompanying notes are an integral part of this statement.

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

GOVERNMENTAL FUNDS
BALANCE SHEET
DECEMBER 31, 2006

	<u>General Fund</u>	
ASSETS		
Cash and Certificates of Deposit	\$	212,352
Accounts Receivable		150,212
Prepaid items		-
TOTAL ASSETS	\$	<u>362,564</u>
 LIABILITIES, EQUITY & OTHER CREDITS		
Liabilities:		
Accounts payable	\$	98,725
Premiums payable		-
Salaries and related taxes payable		(5,940)
Total Liabilities		<u>92,785</u>
Equity & Other Credits:		
Fund Balance		
Unreserved, undesignated		269,779
Total Equity & Other Credits		<u>269,779</u>
TOTAL LIABILITIES, EQUITY & OTHER CREDITS	\$	<u>362,564</u>

The accompanying notes are an integral part of this statement.

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

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2006

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

Total Fund Balances at December 31, 2005 - Governmental Funds (page 16)	\$ 269,779
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets is \$971,117 and the accumulated depreciation is \$632,444.	338,673
Long-term liabilities, including compensated absences, are not due and payable in the current period and therefore are not reported in the funds. Long-term liabilities at year-end consist of:	
Capital lease payable	(32,442)
Total Net Assets of Governmental Activities at December 31, 2005 (page 14)	<u>\$ 576,010</u>

The accompanying notes are an integral part of this statement.

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

GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2006

	<u>General Fund</u>
REVENUES	
Intergovernmental	\$ 687,595
Service charges and reimbursements	2,357
Donations and gifts	1,800
Interest	1,719
Miscellaneous	5,772
TOTAL REVENUES	<u>699,243</u>
EXPENDITURES	
Current	
Public Safety	
Personnel and related costs	408,276
General and administrative costs	42,641
Firefighting costs and supplies	5,562
Station Expenses	21,111
Vehicle Expenses	16,757
Miscellaneous	-
Capital outlay	102,004
Debt Service	
Principal	30,692
Interest	3,599
TOTAL EXPENDITURES	<u>630,642</u>
EXCESS OF REVENUES OVER EXPENDITURES	68,601
OTHER FINANCING SOURCES	
Capital lease	-
Loan proceeds	-
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES	<u>68,601</u>
FUND BALANCE	
Beginning of year	201,178
End of year	<u>\$ 269,779</u>

The accompanying notes are an integral part of this statement.

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 BALANCES OF GOVERNMENTAL FUNDS TO
THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2006**

Amounts reported for governmental activities in the Statement of Activities (page 15) are different because:

Net change in fund balances - total governmental funds (page 18)	\$ 68,601
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.	60,706
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase net assets.	-
The issuance of long-term debt (e.g., notes payable, leases) provides current financial resources to the governmental funds, while the repayment of the principal on long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. This amount is the net effect of these differences in the treatment of long-term debt and related items.	30,692
Change in net assets of governmental activities (page 15)	<u>\$ 159,999</u>

The accompanying notes are an integral part of this statement.

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

NOTES TO FINANCIAL STATEMENTS

December 31, 2006

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

December 31, 2006

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

Fund Financial Statements

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

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

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

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

December 31, 2006

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.

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

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

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

4. Budgets

As a quasi-public corporation, 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 Assets or Equity

A. *Cash and Investments*

For reporting purposes, cash and cash equivalents includes amounts in demand deposits, time deposits, and certificates of deposit.

Investments, if any, are stated at fair value, except for investments in government securities with maturities less than 1 year, which are stated at cost or amortized cost.

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

December 31, 2006

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, 2006 would not be material to the financial statements.

C. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental activities column in the government-wide financial statements. Capital assets are defined by AVF as assets with an initial, individual cost of more than \$100 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed and are included in construction in progress. The levees and breakwaters are divided into reaches and are capitalized as such. Any major "lifts" or improvements to an existing levee/reach is capitalized as an addition to that levee/reach.

Property, plant, equipment, and infrastructure is 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 to 5
Vehicles and heavy equipment	3 to 20

D. Fund Equity

In the fund financial statements, governmental funds report reservations of fund balances for amounts that are not available for appropriation or are legally restricted by outside parties for a specific future use. Designated fund balances represent tentative plans for future use of financial resources that are subject to change.

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 2006

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

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

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net changes in fund balances - total governmental funds* and *changes in net assets of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that "Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense." The details of this \$60,706 difference are as follows:

Capital outlay	\$	102,004
Depreciation expense		(41,298)

Net adjustment to increase <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net assets - governmental activities</i>	\$	60,706

Another element states that the issuance of long-term debt (e.g., notes payable, capital leases) provides current financial resources to the governmental funds, while the repayment of the principal on long-term debt consumes the current financial resources of governmental fund. The details of the net effect of these differences in the treatment of long-term debt and related items are as follows:

Payments on capital leases payable	\$	30,692

Net adjustment to increase <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net assets - governmental activities</i>	\$	30,692

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

December 31, 2006

NOTE C - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

1. Compliance with Cooperative Endeavor Agreement

As a quasi-public corporation, AVF is not subject to all of the general statutes governing political subdivisions and other governments within the State of Louisiana. Instead, AVF must comply with the terms and conditions of the cooperative endeavor agreement it has with the Parish of Jefferson. As of December 31, 2006, AVF was in compliance with all of the significant conditions of the agreement.

NOTE D - DETAILED NOTES ON ALL ACTIVITIES AND FUNDS

1. Deposits with Financial Institutions and Investments

Deposits with Financial Institutions

At June 30, 2006, deposits with financial institutions consisted of the following:

	Cash	Certificates of Deposit	Other	Total
Book Value of Deposits in Banks	\$ 157,650	\$ 54,702	\$ 0	\$ 212,352
Bank Balances of Deposits Exposed to Custodial Credit Risk:				
A. Uninsured and uncollateralized	\$ 0	\$ 0	\$ 0	\$ 0
B. Uninsured and collateralized with securities held by pledging institution	0	0	0	0
C. Uninsured and collateralized with securities held by the pledging financial institution's trust department or agent but not in the Town's name	0	0	0	0
Total Bank Balances Exposed to Custodial Credit Risk	\$ 0	\$ 0	\$ 0	\$ 0
Total Bank Balances - All Deposits	\$ 167,591	\$ 54,702	\$ 0	\$ 222,293

Investments

AVF had no investments during the year.

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 2006

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

2. Capital Assets

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

	Balance December 31, 2005	Additions	Deletions	Transfers	Balance December 31, 2006
Governmental activities:					
Capital assets, not being depreciated					
Land	\$ 8,834	\$ 0	\$ 0	\$ 0	\$ 8,834
Total capital assets, not being depreciated	\$ 8,834	\$ 0	\$ 0	\$ 0	\$ 8,834
Capital assets, being depreciated					
Buildings	\$ 53,496	\$ 0	\$ 0	\$ 0	\$ 53,496
Furniture and fixtures	22,330	3,279	0	0	25,609
Vehicles and heavy equipment	784,453	98,725	0	0	883,178
Total capital assets, being depreciated	860,279	102,004	0	0	962,283
Less accumulated depreciation for:					
Buildings	(48,790)	(1,569)	0	0	(50,359)
Furniture and fixtures	(18,071)	(4,404)	0	0	(22,475)
Vehicles and heavy equipment	(524,285)	(35,325)	0	0	(559,610)
Total accumulated depreciation	(591,146)	(41,298)	0	0	(632,444)
Total capital assets being depreciated, net	\$ 269,133	\$ 60,706	\$ 0	\$ 0	\$ 329,839
Total governmental activities capital assets, net	\$ 277,967	\$ 60,706	\$ 0	\$ 0	\$ 338,673

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

December 31, 2006

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

3. Receivables

A breakdown of AVF's receivables at year end is as follows:

	General
Receivables:	
Due from other Governments	
FEMA Public Assistance - Katrina	\$ 56,424
Office of Homeland Security - Firefighters Assistance Grant	93,788
Total Governmental Activities	\$ 150,212

4. Long-Term Debt

CAPITAL LEASES PAYABLE

AVF entered into a capital lease to purchase a new fire truck in October 1997. AVF put \$100,000 down and financed the remaining \$256,000 via a capital lease with Kansas State Bank. Under the lease, ten annual payments of \$34,291 are due each October. During the year, AVF made one payment of \$34,291 (\$29,036 principal and \$5,255 interest). Future minimum payments on the above lease for each of the next 5 years are as follows:

Year Ending December 31,	Capital Lease Fire Truck
2007	\$ 34,291
	34,291
Less imputed interest	(1,849)
	\$ 32,442

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 2006

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

CHANGES IN LONG-TERM DEBT

The following is a summary of long-term debt transactions for the year ended December 31, 2006:

		<u>Capital Lease Fire Truck</u>
Balance, beginning of year	\$	63,134
Additions		0
Payments		(30,692)
Balance, end of year	<u>\$</u>	<u>32,442</u>

It should be noted that the purchase of the fire truck is being financed via a special 2 mill ad valorem tax levied by the Parish Council/Fire District No. 7. The Parish remits an amount sufficient for AVF to pay the lease payment due (current year amount remitted was \$40,000).

NOTE E - ECONOMIC DEPENDENCE

The Parish Council levies a 25 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 mill tax.

During 2006, the remittance to AVF for operations totaled \$504,000 or 72.0 percent of its total revenues. Also, as mentioned in NOTE D.4, AVF received \$40,000 as a subsidy to pay the capital lease payable.

NOTE F - 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. During 2006, AVF received 5,295 from various claims related to Hurricane Katrina.

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 2006

NOTE F - COMMITMENTS AND CONTINGENCIES (CONTINUED)

2. Litigation

There is no litigation pending against AVF at December 31, 2006.

NOTE G - OTHER INFORMATION

1. Retirement

AVF's employees are members of the Social Security System. In addition to the employee contribution withheld at 7.65 per cent, AVF contributes an equal amount to the System. Aggregate pension costs for the year is \$23,116. AVF does not guarantee the benefits granted by the Social Security System.

2. Hurricane Katrina

On August 29, 2005, Hurricane Katrina struck the New Orleans Metropolitan area, which includes Jefferson Parish and the area serviced by AVF. While the Parish was spared from a direct hit, there was wind and water damage in scattered areas throughout the area.

After the hurricane, AVF incurred expenses for overtime, emergency repairs, debris removal, etc., most of which is to be reimbursed by the Federal Emergency Management Agency (FEMA). A receivable for eligible claims totals \$56,424. This amount has been accrued in the financial statements as a receivable at December 31, 2006.

3. OHS - Assistance to Firefighters Grant

During 2006, AVF received a grant from the Office of Homeland Security in the amount of \$196,055 for the purchase of firefighting equipment and supplies. As of December 31, 2006, a payable for equipment purchased totaling \$98,725 was accrued in the financial statements. A related receivable of \$93,788 (95 percent of the expenditure) was also accrued. The remainder of the grant is expected to be spent in 2007.

INDIVIDUAL FUND STATEMENTS AND SCHEDULES

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

GOVERNMENTAL FUNDS - GENERAL FUND
DETAILED SCHEDULE OF REVENUES
FOR THE YEAR ENDED DECEMBER 31, 2006

	<u>General Fund</u>
Intergovernmental	
Federal	
OHS - Firefighters Assistance Grants	\$ 93,788
FEMA Public Assistance	36,143
Jefferson Parish contract:	
Direct payments - ad valorem taxes	504,000
Direct payments - fire truck subsidy	40,000
State	
Fire Insurance Rebate	13,664
	<u>687,595</u>
Service charges and reimbursements	
Vending/ice sales	2,357
	<u>2,357</u>
Donations and gifts	
Others	1,800
	<u>1,800</u>
Interest	<u>1,719</u>
Miscellaneous	
Insurance proceeds	5,295
Sales of equipment	-
Dues	-
Other	477
	<u>5,772</u>
TOTAL REVENUES	<u>\$ 699,243</u>

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

GOVERNMENTAL FUNDS - GENERAL FUND
SCHEDULE OF EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2006

	<u>General Fund</u>
Public Safety	
Current	
Personnel and related costs	
Salaries	\$ 277,560
Payroll taxes	23,116
Health insurance	75,854
Unemployment insurance	134
Workmens' compensation	29,587
Uniforms and shirts	2,025
	<u>408,276</u>
General and administrative costs	
Accounting and legal	3,200
Insurance - auto	7,068
Insurance - general and liability	18,275
Membership dues	615
Miscellaneous	6,432
Office and computer supplies	3,410
Professional services - other	900
Telephone	12
Travel and conventions	2,729
	<u>42,641</u>
Firefighting costs and supplies	
Apparel	209
Firefighting supplies	4,308
Maintenance - radios & equipment	910
Training	135
Emergency supplies	-
	<u>5,562</u>
Station Expenses	
R & M - buildings	2,287
Station supplies	4,404
Utilities	14,420
	<u>21,111</u>
Vehicle Expenses	
Gas and oil	7,585
R & M - vehicles	9,172
	<u>16,757</u>
Miscellaneous	
Gifts, flowers, and donations	-
Other	-
	<u>-</u>
Capital outlay	
Buildings and grounds	-
Furniture and fixtures	3,279
Vehicles and rescue equipment	98,725
	<u>102,004</u>
TOTAL CURRENT	<u>596,351</u>
Debt Service	
Principal	30,692
Interest	3,599
TOTAL DEBT SERVICE	<u>34,291</u>
TOTAL EXPENDITURES	<u>\$ 630,642</u>

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SUPPLEMENTAL INFORMATION

AVONDALE VOLUNTEER FIRE COMPANY
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For The Year Ended December 31, 2006

FEDERAL AGENCY/ PROGRAM TITLE	CFDA NUMBER	GRANT/ PROJECT NUMBER	GRANT PERIOD FROM TO	TOTAL GRANT AWARD	ACCRUED (DEFERRED) REVENUE DECEMBER 31, 2005	CASH/ ASSISTANCE RECEIVED DURING YEAR	ACCRUED (DEFERRED) REVENUE DECEMBER 31, 2006	TOTAL REVENUE RECOGNIZED	TOTAL FEDERAL EXPENDITURES
DIRECT ASSISTANCE									
DEPARTMENT OF HOMELAND SECURITY									
U.S. Fire Administration 2006 Assistance to Firefighters Operations & Safety Program	97-034	EMW-2006-FI-15838	11/9/06 11/8/07	\$ 180,252	\$ -	\$ -	\$ 93,788	\$ 93,788	\$ 93,788
PASS-THROUGH AWARDS									
DEPARTMENT OF HOMELAND SECURITY									
Passed through State Department of Military Affairs Emergency Disaster - Public Assistance Grants (Hurricane Katrina)	97-036	FFMA DR-1603-LA	Project Completion	\$ 56,143	20,381	-	56,424	56,143	56,143
TOTAL FEDERAL ASSISTANCE									
				\$ 20,381	\$ -	\$ -	\$ 150,212	\$ 129,931	\$ 129,931

NOTES TO SCHEDULE:

This Schedule of Expenditures of Federal Awards includes the federal grant activity of the Avondale Volunteer Fire Company and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audit of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

COMPLIANCE SECTION

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

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

I have audited the accompanying financial statements of the governmental activities and each major fund (i.e., the General Fund) of Avondale Volunteer Fire Company, Inc. ("AVF"), a non-profit entity d/b/a Fire Protection District No. 7 of Jefferson Parish - Avondale Division, as of and for the year ended December 31, 2006, which collectively comprise AVF's basic financial statements, and have issued my report thereon dated June 15, 2007. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

COMPLIANCE

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

The results of my tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing my audit, I considered AVF's internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of AVF's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of AVF's internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

My consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. I did not identify any deficiencies in internal control over financial reporting that I consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of AVF's management, the Louisiana Legislative Auditor, all applicable Federal and State awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statutes 24:513, the report is distributed by the Legislative Auditor as a public document.

Paul C. Briner, CPA
June 15, 2007

**AVONDALE VOLUNTEER FIRE COMPANY, INC. (AVF)
D/B/A
FIRE PROTECTION DISTRICT No. 7 OF JEFFERSON PARISH
AVONDALE DIVISION**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2006**

I have audited the financial statements of the Avondale Volunteer Fire Company, Inc. (AVF) as of and for the year ended December 31, 2006, and have issued my report thereon dated June 15, 2007. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. My audit of the financial statements as of December 31, 2006 resulted in an unqualified opinion.

SECTION I - SUMMARY OF AUDITOR'S REPORTS

A. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control:

Reportable Conditions were noted.
Material Weaknesses were noted.

Compliance:

No instances of noncompliance material to the financial statements were noted

B. Federal Awards - not applicable

C. Identification of Major Programs - not applicable

SECTION II - FINANCIAL STATEMENT FINDINGS

No Findings

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Not Applicable

SECTION IV - STATUS OF PRIOR YEAR FINDINGS

Not Applicable