

**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, 2013**



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## **FINANCIAL SECTION**



## INDEPENDENT AUDITOR'S REPORT

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

### *Report on the Financial Statements*

I have audited the accompanying financial statements of the governmental activities and each major fund (i.e., the General Fund) of 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, 2013, and the related notes to the financial statements, which collectively comprise AVF's basic financial statements as listed in the table of contents.

### *Management's Responsibility for the Financial Statements*

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

### *Auditor's Responsibility*

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

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

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

### *Opinions*

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of AVF as of December 31, 2013 and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### ***Required Supplementary Information***

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

#### ***Other Information***

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

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

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

In accordance with *Government Auditing Standards*, I have also issued a report dated April 19, 2014, on my consideration of AVF's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering AVF's internal control over financial reporting and compliance.

*Paul C. Arnie, CPA*

April 19, 2014

**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, 2013.

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 \$532,912 (*net position*). Of this amount, \$95,749 or 18.0 percent is invested in capital assets, such as vehicles and equipment. The remaining balance of \$437,163 (*unrestricted net position*) or 82.0 percent may be used to meet the government's ongoing obligations to citizens and creditors.
- AVF'S total net position increased by \$41,956 or 8.5 percent during the current year because the program and general revenues exceeded the 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 \$437,163, an increase of \$63,870 or 17.1 percent in comparison with the prior year. Approximately \$176,415 or 40.3 percent of this total amount is available for spending at the government's discretion (*unassigned fund balance*). The balance of \$260,748 is *assigned* for the purpose of future equipment purchases.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$176,415 or 23.8 percent of total general fund expenditures. This compares to 19.5 percent last year. Total fund balance was \$437,163 or 58.9 percent of total general fund expenditures. This compares to 53.9 percent last year. This increase was the result of the increase in money being saved for future equipment purchases (see increase in *assigned* fund balances noted above).
- AVF'S had no outstanding long-term debt at December 31, 2013.

## ***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).

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.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of AVF, assets exceeded liabilities by \$532,912 at December 31, 2013.

A large portion of AVF'S net position (18.0 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 POSITION**

	Governmental Activities <u>2013</u>		Governmental Activities <u>2012</u>	
Current and other assets	\$ 438,734		\$ 374,637	
Capital assets	<u>95,749</u>		<u>117,663</u>	
Total Assets	<u>534,483</u>		<u>492,300</u>	
Long-term liabilities outstanding	-		-	
Other liabilities	<u>1,571</u>		<u>1,344</u>	
Total Liabilities	<u>1,571</u>		<u>1,344</u>	
Net Position:				
Invested in capital assets, net of related debt	95,749	18.0%	117,663	24.0%
Restricted	-	0.0%	-	0.0%
Unrestricted	<u>437,163</u>	82.0%	<u>373,293</u>	76.0%
Total Net Position	<u>\$ 532,912</u>		<u>\$ 490,956</u>	

The balance of *unrestricted net position* (\$437,163 or 82.0 percent) may be used to meet the government's ongoing obligations to citizens and creditors.

At December 31, 2013, AVF is able to report positive balances in all three categories of net position.

AVF'S net position increased by \$41,956 (or 8.5 percent) during the current fiscal year.

**Governmental Activities.** Governmental activities increased AVF'S net position by \$41,956 or 8.5 percent. Key elements of this decrease are as follows:

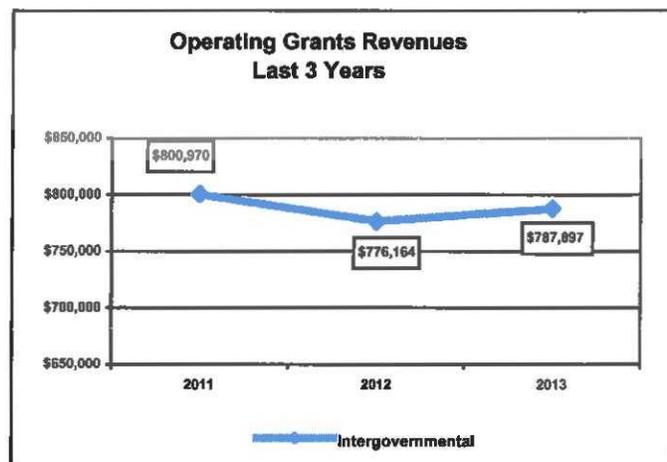
**AVONDALE VOLUNTEER FIRE COMPANY, INC.  
STATEMENTS OF ACTIVITIES**

	Governmental Activities		Governmental Activities	
	2013		2012	
<b>Revenues:</b>				
<b>Program revenues:</b>				
Charges for services	\$ -	0.0%	\$ -	0.0%
Operating grants and contributions	787,897	97.8%	776,164	97.3%
Capital grants and contributions	-	0.0%	10,000	1.3%
<b>General revenues:</b>				
Unrestricted interest	580	0.1%	598	0.1%
Gain on sale of equipment	350	0.0%	-	0.0%
Miscellaneous	17,073	2.1%	10,906	1.4%
<b>Total revenues</b>	<b>805,900</b>	<b>100.0%</b>	<b>797,668</b>	<b>99.0%</b>
<b>Expenses:</b>				
Public Safety	763,944	100.0%	716,281	100.0%
<b>Total expenses</b>	<b>763,944</b>	<b>100.0%</b>	<b>716,281</b>	<b>100.0%</b>
Increase in net position	41,956		81,387	
Net position - Beginning of year	490,956		409,569	
<b>Net position - end of year</b>	<b>\$ 532,912</b>		<b>\$ 490,956</b>	

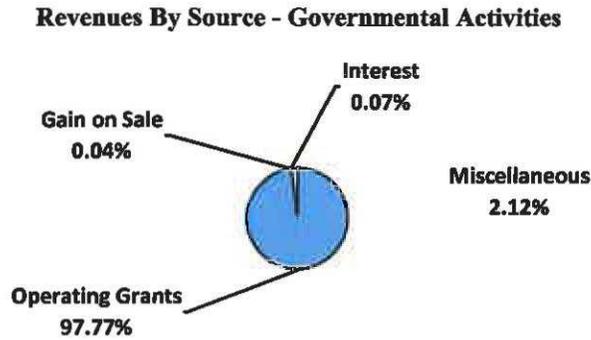
➤ Operating grants consisted funds received from FEMA, the State of Louisiana, and the Parish of Jefferson. FEMA provided \$9,611 in disaster-related reimbursements for Hurricane Isaac. The State provided \$16,286 to AVF for fire insurance rebates. Finally, the Parish levies an ad valorem tax in the District and remits a certain amount to AVF each month to provide funding to the Fire District. This allocation came in at \$762,000 for 2013, which is the same as the prior year. The number of mills levied by the Parish was 24.36 out of the maximum available of 25.00 mills.

➤ In the prior year, capital grants consisted of a grant/donation received from the Parish of Jefferson in the amount of \$10,000 to subsidize the purchase of a new F350 truck. This did not recur in 2013.

➤ Miscellaneous income of \$17,073 was made up of various items and was \$6,167 more than last year. This year's revenue included \$15,381 in refunds from LWCC for dividends on the workman's compensation policy, as well as \$1,692 in fees for fire reports and fees from the State for holding elections at the firehouse.

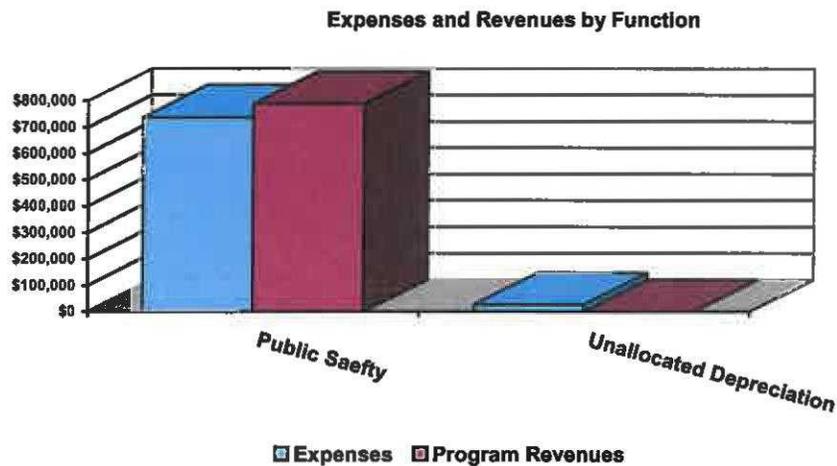


➤ A breakdown of the revenues received by AVF'S governmental activities is as follows:



Expenses totaled \$763,944, including current year depreciation of \$26,645. This is an increase of \$47,663 over the prior year. As a fire district, the only function AVF provides is the public safety function. The main changes were seen in personnel and related costs (up \$31,923), general and administrative costs (down \$5,921), firefighting costs (up \$5,091), station expenses (up \$15,151), and vehicle expenses (down \$237). Salaries were up due to raises given in 2013 when the new millage rate was levied as well as new employees. Payroll taxes went up slightly as well. Group health costs increased \$14,081 due to rising premiums. Workmen's compensation insurance was down \$(9,969) due to a decrease in premiums and prior year adjustments. General administrative costs were down primarily due to a slight drop in insurance premiums, office supplies, and telephone costs. Firefighting costs were up mainly due to an increase in uniform purchases. Station expenses were up due to an increase in repairs and maintenance costs on the station (a new roof). Vehicle expenses were about the same as last year.

Operating and capital grants totaling \$787,897 offset these costs. This left a net revenue (cost) to citizens of AVF of \$23,953 prior to accounting for general revenues. A graph comparing the expenses with the program revenue generated is presented below.



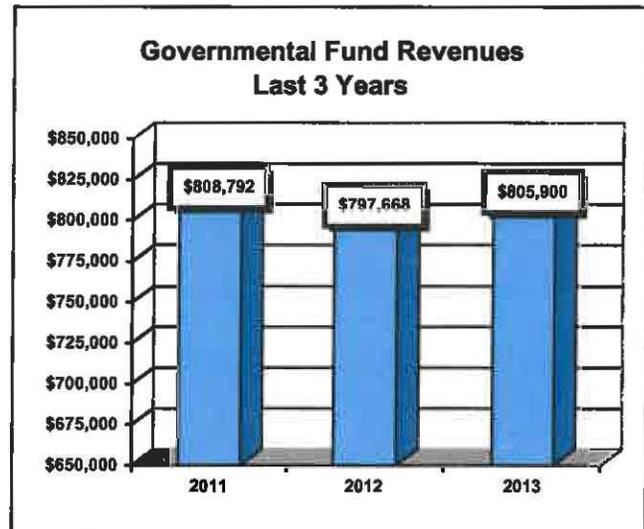
## FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

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, *unassigned 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, 2013, AVF'S governmental fund (i.e., the General Fund) reported ending fund balance of \$437,163, an increase of \$63,870 or 17.1 percent in comparison with the prior year. Approximately \$176,415 or 40.3 percent of this total constitutes *unassigned fund balance*, which is available for spending at the government's discretion. The remaining fund balance of \$260,748 is shown as *assigned* fund balance. This means there is some form of restriction (formal or informal) placed on these funds and that they are not necessarily available for new spending because they have already been assigned to a particular purpose. In this case, the money is being set aside for future capital outlay needs (vehicles and equipment).

As noted above, the governmental funds include the general operating funds of AVF (i.e., the General Fund). Overall, as the graph shows, Governmental Fund revenues have increased slightly in 2013. The increase was primarily due to the refund received from LWCC on the workmen's compensation program. AVF's millage rate was renewed last year by the citizens at 25.0 mills and is being levied at its rolled-back amount of 24.36 mills. 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 unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 23.8 percent of total general fund expenditures, as compared to 19.5 percent last year. Total fund balance represents 58.9 percent of total general fund expenditures, as compared to 53.9 percent last year.

The fund balance of AVF'S General fund increased by \$63,870 during the current fiscal year. Key factors in this change are as follows:

- The General Fund's revenues totaled \$805,900, while expenditures totaled \$742,030.
- Revenues increased by \$8,232 from the prior year, mainly because of:
  - Intergovernmental revenues totaled \$787,897, which is \$1,733 more than last year. FEMA provided \$9,611 for disaster-related aid for Hurricane Isaac. The allocation from Jefferson Parish (i.e., property taxes) totaled \$762,000, which \$-0- change from last year. Last year, the Parish provided a \$10,000 grant to help pay for a new truck. This did not recur in 2013. Finally, the State Fire Insurance Rebate totaled \$16,286 (up \$2,122).

- Miscellaneous income totaled \$17,423 (up \$6,517), as the dividend from the workers compensation plan of \$15,381 was recognized in 2013, along with fire report sales and reimbursements from the State for holding elections at the firehouse totaling \$1,692. Finally, the trade in of the old ice machine brought in \$350.
- Expenditures totaled \$742,030, an increase of \$49,405 or 7.1 percent compared to the prior year.
- Salaries and related costs increased \$31,923 due to raises given with the increased millage revenues and a few new employees. Payroll taxes and group health costs were also up. Workmen’s compensation insurance went down significantly due to cost audits and adjustments by the carrier.
  - General and administrative costs were down (\$5,921) primarily due to a drop in insurance premiums, office supplies, and telephone costs.
  - Firefighting costs and supplies were up \$5,091 primarily due to purchases of uniforms made during the year.
  - Station expenses were up \$15,151 due to an increase in repairs and maintenance on the station buildings (a new roof was installed at Station 74).
  - Vehicle expenses were down (\$237) due to an increase in vehicle repairs and maintenance of \$1,316 and a decrease of (\$1,553) in gas and oil (due to dropping prices at the pump),
  - Capital outlay was up \$3,398 due to the purchase of a new laptop for the chief and a new ice machine for the station.

***CAPITAL ASSET AND DEBT ADMINISTRATION***

**Capital Assets.** AVF’S investment in capital assets for its governmental activities as of December 31, 2013 amounts to \$95,749 (net of accumulated depreciation and related debt). This investment in capital assets includes land, buildings, furniture and fixtures, heavy equipment, and vehicles. AVF’S investment in capital assets decreased by \$(21,914), or 18.6 percent, this year. Major capital asset events during the current fiscal year included the following:

- \$4,731 was spent on furniture and fixtures (a new laptop for the chief and a new ice machine for the station).
- \$63,000 of vehicles were disposed of (mini-pumper and old F-250 truck)
- \$26,645 was recognized as depreciation expense.

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

	<b>Governmental Activities</b>	<b>Governmental Activities</b>
	<b>2013</b>	<b>2012</b>
Land	\$ 8,834	\$ 8,834
Buildings	-	-
Furniture and fixtures	3,840	4,985
Vehicles and firefighting equipment	83,075	103,844
<b>Total</b>	<b>\$ 95,749</b>	<b>\$ 117,663</b>

Additional information on AVF’S capital assets can be found in Note D.2 on page 28.

**Long-term Debt.** At the end of 2013, AVF had total outstanding debt of \$-0-.

***ECONOMIC FACTORS AND NEXT YEAR'S RATES***

- The unemployment rate for the Parish of Jefferson is currently 4.3 percent, which is 0.9 percent lower than it was a year ago as the national recession continues ease in the area. The unemployment rate in the New Orleans MSA area is still below both the state and federal levels.
- Inflationary trends in the region compare favorably to national indices.
- The ad valorem millage rate levied for the 2013 (next year's) tax roll was 26.69 mills (24.36 operating and 2.33 bond). Only the operating money is allocated to the volunteer fire districts. The bond money remains with the Parish. This is slightly lower than the current year due to the rollback of the millage rate brought on by the reassessment of the tax rolls. Despite this roll back, next year's revenues are expected to remain approximately the same as the current year. Preliminary budget figures presented by the Parish show the monthly allocation of property taxes will go up slightly to \$63,960 per month.

***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 POSITION**  
**DECEMBER 31, 2013**

	<u><b>GOVERNMENTAL</b></u>
	<u><b>ACTIVITIES</b></u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 438,734
Investments	-
Receivables (net of allowance for uncollectibles)	-
Capital assets (net of accumulated depreciation)	
Land	8,834
Buildings	-
Furniture and fixtures	3,840
Vehicles and firefighting equipment	83,075
<b>TOTAL ASSETS</b>	<u><u>534,483</u></u>
<b>LIABILITIES</b>	
Accounts payable and other current liabilities	2
Accrued payroll and deductions	1,569
Noncurrent liabilities:	
Due within one year	-
Due in more than one year	-
<b>TOTAL LIABILITIES</b>	<u><u>1,571</u></u>
<b>NET POSITION</b>	
Invested in capital assets, net of related debt	95,749
Restricted for:	
Debt service	-
Other	-
Unrestricted	437,163
<b>TOTAL NET ASSETS</b>	<u><u>\$ 532,912</u></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

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2013

FUNCTION	EXPENSES	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS PRIMARY GOVERNMENTAL ACTIVITIES
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	
Primary Government					
Governmental Activities:					
Public Safety	\$ 737,299	\$ -	\$ 787,897	\$ -	\$ 50,598
Unallocated depreciation expense	26,645	-	-	-	(26,645)
Interest on long-term debt	-	-	-	-	-
Total governmental activities	\$ 763,944	\$ -	\$ 787,897	\$ -	23,953
<b>GENERAL REVENUES:</b>					
Unrestricted interest					580
Gain (loss) on sale of equipment					350
Unrestricted gifts and donations					-
Other					17,073
<b>TOTAL GENERAL REVENUE AND TRANSFERS</b>					<u>18,003</u>
<b>CHANGE IN NET POSITION</b>					41,956
<b>NET POSITION</b>					
Beginning of Year					490,956
End of Year					<u>\$ 532,912</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, 2013**

	<u>General Fund</u>
<b>ASSETS</b>	
Cash and Certificates of Deposit	\$ 438,734
Accounts Receivable	-
<b>TOTAL ASSETS</b>	<u>\$ 438,734</u>
 <b>LIABILITIES AND FUND BALANCE</b>	
<b>Liabilities:</b>	
Accounts payable	\$ 2
Premiums payable	-
Salaries and related taxes payable	1,569
<b>Total Liabilities</b>	<u>1,571</u>
 <b>Fund Balance:</b>	
Nonspendable	-
Restricted	-
Committed	-
Assigned	260,748
Unassigned	176,415
<b>Total Fund Balance</b>	<u>437,163</u>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<u>\$ 438,734</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 POSITION  
FOR THE YEAR ENDED DECEMBER 31, 2013**

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

Total Fund Balances at December 31, 2013 - Governmental Funds (page 16)	\$ 437,163
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets is \$1,004,370 and the accumulated depreciation is \$908,621.	95,749
Total Net Position of Governmental Activities at December 31, 2013 (page 14)	<u>\$ 532,912</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, 2013**

	<u>General Fund</u>
<b>REVENUES</b>	
Intergovernmental	\$ 787,897
Service charges and reimbursements	-
Donations and gifts	-
Interest	580
Miscellaneous	17,423
<b>TOTAL REVENUES</b>	<u>805,900</u>
<b>EXPENDITURES</b>	
Current	
Public Safety	
Personnel and related costs	622,687
General and administrative costs	36,956
Firefighting costs and supplies	8,832
Station Expenses	42,895
Vehicle Expenses	25,929
Capital outlay	4,731
Debt Service	
Principal	-
Interest	-
<b>TOTAL EXPENDITURES</b>	<u>742,030</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	63,870
<b>OTHER FINANCING SOURCES</b>	
Capital lease	-
Loan proceeds	-
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES</b>	<u>63,870</u>
<b>FUND BALANCE</b>	
Beginning of year	373,293
End of year	<u>\$ 437,163</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, 2013**

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)	\$ 63,870
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.	(21,914)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase net assets.	-
Change in net position of governmental activities (page 15)	<u>\$ 41,956</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, 2013**

**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, 2013**

**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 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, 2013**

**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 Position or Fund 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, 2013**

**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, 2013 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:

<u>Asset Category</u>	<u>Useful Life in Years</u>
Buildings and improvements	20
Furniture and fixtures	3 to 5
Vehicles and heavy equipment	3 to 20

*D. Fund Equity*

In accordance with Government Accounting Standards Board (GASB) Statement No. 54 - *Fund Balance Reporting and Governmental Fund Type Definitions*, 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.

**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, 2013**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

While 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. Subsequent Events

AVF has evaluated subsequent events through April 6, 2014, the date the financial statements were available to be issued.

8. Expenses Paid by Others

The full-time firefighters of AVF that meet certain qualifications, receive supplemental pay from the State of Louisiana under the provisions of LRS 33:2202. The amount of pay received as these supplemental state funds are paid directly to the firefighters. The amounts pass through AVF's payroll system in order to tax this income, however, the amounts are then backed out for financial reporting purposes.

9. Donated Services, Facilities, or Supplies

No amounts are reflected in the financial statements for donated services. Donated services include a substantial number of hours from volunteer firefighters. 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 cost of these assets are carried on the financial statements of the Parish and are not included in AVF's financial statements.

**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, 2013**

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

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

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net changes in fund balances - total governmental funds* and *changes in net position of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that "Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense." The details of this (\$21,914) difference are as follows:

Capital outlay	\$	4,731
Depreciation expense		(26,645)
		(26,645)
Net adjustment to increase <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net position - governmental activities</i>	\$	(21,914)

**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, 2013, AVF was in compliance with all of the significant conditions of the agreement.

**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, 2013**

**NOTE D - DETAILED NOTES ON ALL ACTIVITIES AND FUNDS**

**1. Deposits with Financial Institutions and Investments**

**Deposits with Financial Institutions**

At December 31, 2013, deposits with financial institutions consisted of the following:

	Cash	Certificates of Deposit	Other	Total
<b>Book Value of Deposits in Banks</b>	\$ 377,916	\$ 60,818	\$ 0	\$ 438,734
<b>Bank Balances of Deposits Exposed to Custodial Credit Risk:</b>				
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
<b>Total Bank Balances Exposed to Custodial Credit Risk</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>
<b>Total Bank Balances - All Deposits</b>	<b>\$ 387,278</b>	<b>\$ 60,818</b>	<b>\$ 0</b>	<b>\$ 448,096</b>

**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, 2013**

**NOTE D - 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, 2012	Additions	Deletions	Transfers	Balance December 31, 2013
<b>Governmental activities:</b>					
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	40,453	4,731	(2,300)	0	42,884
Vehicles and heavy equipment	962,156	0	(63,000)	0	899,156
Total capital assets, being depreciated	1,056,105	4,731	(65,300)	0	995,536
Less accumulated depreciation for:					
Buildings	(53,496)	0	0	0	(53,496)
Furniture and fixtures	(35,468)	(5,876)	2,300	0	(39,044)
Vehicles and heavy equipment	(858,312)	(20,769)	63,000	0	(816,081)
Total accumulated depreciation	(947,276)	(26,645)	65,300	0	(908,621)
Total capital assets being depreciated, net	\$ 108,829	\$ (21,914)	\$ 0	\$ 0	\$ 86,915
Total governmental activities capital assets, net	\$ 117,663	\$ (21,914)	\$ 0	\$ 0	\$ 95,749

**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, 2013**

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

3. Fund Balance Components

Per Note A.5.D., AVF follows the requirements of Government Accounting Standards Board (GASB) Statement No. 54 - *Fund Balance Reporting and Governmental Fund Type Definitions*. In accordance with this statement, 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 \$260,748 as *assigned* fund balance. These funds are assigned for future capital outlay purposes. Monies are being set aside by management from the increased tax millage to save up for the replacement of certain vehicles and firefighting equipment.

**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.

On the 2012 tax roll, the Parish levied 24.36 mills of the 25.00 available (due to the millage rate being "rolled back"). The millage was renewed on May 1, 2010 and will expire in 10 years. The remittance to AVF from the Parish of this millage during 2013 totaled \$762,000 or 94.6 percent of its total revenues.

In addition, the Parish of Jefferson owns the firehouses and some of the vehicles and equipment that AVF uses for operations. These facilities, vehicles and equipment are provided to AVF under the cooperative agreement that gives AVF the authority to administer the operations of the fire district.

**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.

**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, 2013**

**NOTE F - COMMITMENTS AND CONTINGENCIES (CONTINUED)**

2. Litigation

There is no litigation pending against AVF at December 31, 2013.

**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 7.65 percent to the System. Aggregate pension costs for the year is \$36,232. AVF does not guarantee the benefits granted by the Social Security System.

## **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, 2013**

	<u>General Fund</u>
<b>Intergovernmental</b>	
Federal	
FEMA Public Assistance	\$ 9,611
Jefferson Parish contract:	
Direct payments - ad valorem taxes	762,000
Direct payments - fire truck subsidy	-
State	
Fire Insurance Rebate	16,286
Local	
Grant/Donation - City of Westwego	-
	<u>787,897</u>
<b>Service charges and reimbursements</b>	
Vending/ice sales	-
	<u>-</u>
<b>Donations and gifts</b>	
Others	-
	<u>-</u>
<b>Interest</b>	<u>580</u>
<b>Miscellaneous</b>	
Insurance proceeds	-
Sales of equipment	350
Dues	-
Other	17,073
	<u>17,423</u>
<b>TOTAL REVENUES</b>	<u>\$ 805,900</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, 2013

	<u>General Fund</u>
<b>Public Safety</b>	
<b>Current</b>	
<b>Personnel and related costs</b>	
Salaries	\$ 425,778
Payroll taxes	36,232
Health insurance	107,626
Unemployment insurance	93
Workmens' compensation	47,786
Uniforms and shirts	4,854
Physicals & drug testing	318
	<u>622,687</u>
<b>General and administrative costs</b>	
Accounting and legal	4,100
Insurance - auto	9,758
Insurance - general and liability	16,580
Membership dues	367
Miscellaneous	3,072
Office and computer supplies	2,744
Professional services - other	250
Telephone	85
Travel and conventions	-
	<u>36,956</u>
<b>Firefighting costs and supplies</b>	
Apparel	3,464
Dues	-
Firefighting supplies	4,439
Maintenance - radios & equipment	398
Training	531
Emergency supplies	-
	<u>8,832</u>
<b>Station Expenses</b>	
R & M - buildings	24,025
Hurricane related costs	-
Station supplies	5,004
Utilities	13,866
	<u>42,895</u>
<b>Vehicle Expenses</b>	
Gas and oil	9,701
R & M - vehicles	16,228
	<u>25,929</u>
<b>Capital outlay</b>	
Furniture and fixtures	
Vehicles and rescue equipment	4,731
	<u>4,731</u>
<b>TOTAL CURRENT</b>	<u>742,030</u>
<b>Debt Service</b>	
Principal	-
Interest	-
<b>TOTAL DEBT SERVICE</b>	<u>-</u>
<b>TOTAL EXPENDITURES</b>	<u>\$ 742,030</u>

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## **COMPLIANCE SECTION**



**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  
Avondale Volunteer Fire Company, Inc. (AVF)  
Avondale, Louisiana

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund (i.e., the General Fund) 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, as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise AVF's basic financial statements, and have issued my report thereon dated April 19, 2014.

**INTERNAL CONTROL OVER FINANCIAL REPORTING**

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

My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during my audit I did not identify any deficiencies in internal control that I consider to be a material weakness. However, material weaknesses may exist that have not been identified. I did identify certain deficiencies in internal control, as described in the accompanying schedule of findings and responses, that I consider to be significant deficiencies (See Findings 13-01 and 13-02).

### COMPLIANCE AND OTHER MATTERS

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*.

### AVF's RESPONSE TO FINDINGS

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

### PURPOSE OF THIS REPORT

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

Paul C. Arino, CPA

April 19, 2014

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

**SCHEDULE OF FINDINGS AND RESPONSES  
For the Year Ended December 31, 2013**

I have audited the financial statements of the Avondale Volunteer Fire Company, Inc. (AVF) as of and for the year ended December 31, 2013, and have issued my report thereon dated April 19, 2014. 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, 2013 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:

Significant Deficiencies: 13-01 and 13-02.  
No 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**

**13-01 - End of Year Journal Entries**

Condition and Criteria

Journal entries were required as part of the audit for financial statement misstatements related to accrued revenues, accrued payables, and fixed assets. Generally accepted auditing standards now consider year-end adjusting entries prepared by the auditor to be a significant deficiency in internal control.

Cause

Recently issued Statement on Auditing Standards (SAS) 112 requires that I report the above condition as a control deficiency. The SAS does not provide exceptions to reporting control deficiencies that are mitigated with non-audit services rendered by the auditor or deficiencies for which the remedy would be cost prohibitive or otherwise impractical. AVF has relied on its auditor to identify and correct such financial statement misstatements.

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

**SCHEDULE OF FINDINGS  
For the Year Ended December 31, 2013**

Recommendation

As mentioned, whether or not it would be cost effective to cure a control deficiency is not a factor in applying SAS 112's reporting requirements. Because prudent management requires that the potential benefit from an internal control must exceed its cost, it may not be practical to correct all the deficiencies noted under SAS 112. In this case, we do not believe that curing the significant deficiency described in this finding would be cost effective or practical and accordingly, I do not believe any corrective action is necessary.

Management's Response

AVF's staff is familiar with the day-to-day accounting requirements, however, due to limited staffing and funding, AVF does not consider it practical to provide sufficient training to its staff in order to eliminate this condition and can only continue to rely on the auditor for these corrections at this time.

**13-02 - Preparation of Financial Statements by Auditor**

Condition and Criteria

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

Cause

Recently issued Statement of Auditing Standards (SAS) 112 requires that I report the above condition as a control deficiency. The SAS does not provide exceptions to reporting deficiencies that are mitigated with non-audit services rendered by the auditor or deficiencies for which the remedy would be cost prohibitive or otherwise impractical.

Recommendation

As mentioned, whether or not it would be cost effective to cure a control deficiency is not a factor in applying SAS 112's reporting requirements. Because prudent management requires that the potential benefit from an internal control must exceed its cost, it may not be practical to correct all the deficiencies noted under SAS 112. In this case, we do not believe that curing the significant deficiency described in this finding would be cost effective or practical and accordingly, I do not believe any corrective action is necessary.

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

**SCHEDULE OF FINDINGS  
For the Year Ended December 31, 2013**

Management's Response

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

**SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

Not Applicable

**SECTION IV - STATUS OF PRIOR YEAR FINDINGS**

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

**FINANCIAL STATEMENT FINDINGS**

Prior Year Comment No.	Description	Status
# 12-01	End of year journal entries, closing entries, and depreciation entries prepared by external auditor.	Not Resolved See CY Comment # 13-01
# 12-02	Financial statements prepared by external auditor.	Not Resolved See CY Comment # 13-02

**(END)**