

LAFITTE-BARATARIA-CROWN POINT
VOLUNTEER FIRE COMPANY

ANNUAL FINANCIAL REPORT

DECEMBER 31, 2024

UZEE, BUTLER, ARCENEUX & BOWES

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INDEPENDENT AUDITOR'S REPORT

To Board of Directors of
Lafitte-Barataria-Crown Point Volunteer Fire Company
Lafitte, Louisiana

Opinion

We have audited the accompanying financial statements of Lafitte-Barataria-Crown Point Volunteer Fire Company (a Louisiana nonprofit corporation), which comprise the statement of financial position as of December 31, 2024, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Lafitte-Barataria-Crown Point Volunteer Fire Company as of December 31, 2024, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Lafitte-Barataria-Crown Point Volunteer Fire Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Management's Responsibility for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events considered in the aggregate, that raise substantial doubt about Lafitte-Barataria-Crown Point Volunteer Fire Company's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities the Audit of the Financial Statements

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

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

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

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

Supplemental Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of compensation, benefits, and other payments to the agency head or chief executive officer is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 2, 2025 on our consideration of Lafitte-Barataria-Crown Point Volunteer Fire Company's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Lafitte-Barataria-Crown Point Volunteer Fire Company's internal control over financial reporting and compliance.

Uzee, Butler, Arceneux & Bowes

Harvey, Louisiana
June 2, 2025

FINANCIAL STATEMENTS

LAFITTE-BARATARIA-CROWN POINT VOLUNTEER FIRE CO.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2024

ASSETS

CURRENT ASSETS:

Cash	\$ <u>1,991,555</u>
Total current assets	1,991,555
Property and equipment	<u>634,617</u>
Total assets	<u>2,626,172</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES:

Accounts payable	4,424
Accrued payables:	
Salaries	22,609
Due to Jefferson Parish	<u>10,500</u>
Total current liabilities	<u>37,533</u>

NET ASSETS:

Without donor restrictions	<u>2,588,639</u>
Total Liabilities and Net Assets	\$ <u>2,626,172</u>

See accompanying notes to financial statement.

LAFITTE-BARATARIA-CROWN POINT VOLUNTEER FIRE CO.
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2024

	<u>Unrestricted Net Assets</u>
SUPPORT:	
Jefferson Parish:	
Firefighting contract	\$ 684,600
Insurance reimbursements	317,108
Fire insurance premium tax	23,050
Dues	54
Interest income	1,790
LWCC dividend	36,702
Miscellaneous Income	<u>2,309</u>
Total support	<u>1,065,613</u>
EXPENSES:	
Program services - firefighting	984,549
Supporting services - management and general	<u>31,418</u>
Total expenses	<u>1,015,967</u>
INCREASE IN UNRESTRICTED NET ASSETS WITHOUT DONOR RESTRICTIONS	49,646
NET ASSETS WITHOUT DONOR RESTRICTIONS Beginning of year	<u>2,538,993</u>
NET ASSETS WITHOUT DONOR RESTRICTIONS End of year	<u>\$ 2,588,639</u>

See accompanying notes to financial statements.

LAFITTE-BARATARIA-CROWN POINT VOLUNTEER FIRE CO.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2024

	<u>Program Services</u>	<u>Supporting Services</u>	<u>Total</u>
	<u>Firefighting</u>	<u>Management and General</u>	
Salaries and wages	\$ 504,275	\$ -	\$ 504,275
Bank charges	-	18	18
Depreciation	53,112	-	53,112
Dues and subscription	-	419	419
Equipment rental	35,128	-	35,128
Fundraiser expense	-	7,021	7,021
Fuel and truck expense	34,410	-	34,410
Insurance	243,616	-	243,616
Miscellaneous	1,410	-	1,410
Office expense	-	5,004	5,004
Payroll taxes	61,530	-	61,530
Professional services	-	18,956	18,956
Repairs and maintenance	11,166	-	11,166
Sale of assets	2,361	-	2,361
Supplies	1,550	-	1,550
Uniforms	704	-	704
Utilities and telephone	<u>35,287</u>	<u>-</u>	<u>35,287</u>
Total	\$ <u>984,549</u>	\$ <u>31,418</u>	\$ <u>1,015,967</u>

See accompanying notes to financial statement

LAFITTE-BARATARIA-CROWN POINT VOLUNTEER FIRE CO.
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2024

CASH FLOWS FROM OPERATING ACTIVITIES:

Increase in unrestricted net assets without donor restrictions	\$ 49,646	
Adjustment to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	53,112	
Increase in accounts and other accrued payables	<u>3,052</u>	
Net cash provided by operating activities		\$ <u>105,810</u>

CASH FLOWS FROM INVESTING ACTIVITIES:

Acquisition of property and equipment	\$ (23,532)	
Disposal of property and equipment	<u>2,361</u>	
Net cash used by investing activities		\$ <u>(21,171)</u>

NET INCREASE IN CASH	84,639
CASH - Beginning of year	<u>1,906,916</u>
CASH - End of year	\$ <u>1,991,555</u>

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

LAFITTE-BARATARIA-CROWN POINT VOLUNTEER FIRE CO.

NOTES TO FINANCIAL STATEMENTS
December 31, 2024

ORGANIZATION

Lafitte-Barataria-Crown Point Volunteer Fire Company (the Fire Company) was created in 1950 under the non-profit corporation provisions of Louisiana Revised Statutes 12:202. The Fire Company contracts with the Parish of Jefferson, State of Louisiana to provide fire protection and related services to a portion of the 4th Fire Protection District of the Parish of Jefferson.

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Accounting and Financial Statement Presentation:

The financial statements are prepared on the accrual basis of accounting, whereby revenue are recognized when earned and expenses are recognized when incurred.

Net assets, revenues, and expenses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, two classes of net assets and changes therein are classified and reported as follows:

- a) *Net assets without donor restrictions* – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. Revenue are reported as increases in net assets without restrictions, unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without restrictions.
- b) *Net assets with donor restrictions* – Net assets subject to donor (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulated that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

2. Contributions and Donated Services

The Fire Company follows Statement of Financial Accounting Standards (SFAS) no. 116, *Accounting for contributions Received and Contributions Made*. In accordance with SFAS No. 116, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and nature of any donor restrictions.

3. Income Tax

The Fire Company is exempt from income taxes under Internal Revenue Code Section 501(c)(4) as a nonprofit organization and accordingly no provision for income taxes is made in the financial statements.

4. Cash and Cash Equivalent

For purposes of the statement of cash flows, the Fire Company has defined cash and cash equivalents as cash in banks, money market accounts and certificates of deposit with original maturities of three months or less. There were no cash equivalents at December 31, 2024.

LAFITTE-BARATARIA-CROWN POINT VOLUNTEER FIRE CO.

NOTES TO FINANCIAL STATEMENTS (continued)

December 31, 2024

5. Property and Equipment

Acquisitions of property and equipment in excess of \$100 and expenditures for repairs, maintenance, renewals, and betterments that materially prolong the useful lives of assets are capitalized. Property and equipment are stated at acquisition cost, or estimated historical cost if acquisition cost is not available. Depreciation is provided for in amounts sufficient to relate the cost of depreciable property and equipment to operations over their estimated useful lives using the straight-line method. Estimated useful lives of property and equipment are as follows:

Building and improvements	15-20 years
Equipment	5-20 years

6. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

B. CASH

At December 31, 2024, the aggregate carrying amount of the Fire Company's ten bank accounts was \$1,991,555 and the aggregate bank balances were \$1,993,831 all of which are covered by federal depository insurance.

C. PROPERTY AND EQUIPMENT

The following is a summary of property and equipment and depreciation activity for the year ended December 31, 2024.

	Balance 1/1/24	Additions	Deletions	Balance 12/31/24
Land	\$ 30,000	\$ -0-	\$ -0-	\$ 30,000
Building and improvements	809,106	-0-	-0-	809,106
Equipment	<u>637,828</u>	<u>23,532</u>	<u>68,902</u>	<u>592,458</u>
Total	\$ <u>1,476,934</u>	\$ <u>23,532</u>	\$ <u>68,902</u>	\$ <u>1,431,564</u>
Less accumulated depreciation:				
Building and improvements	518,973	19,042	-0-	538,015
Equipment	<u>291,403</u>	<u>34,070</u>	<u>66,541</u>	<u>258,932</u>
Total	<u>810,376</u>	<u>53,112</u>	<u>66,541</u>	<u>796,947</u>
Net, property and equipment	\$ <u>666,558</u>	\$ <u>(29,580)</u>	\$ <u>2,361</u>	\$ <u>634,617</u>

Fire trucks and some other assets which are being used by the Fire Company in its operations are not included in the above summary because they were purchased by Jefferson Parish with bond money and belong to the Parish.

LAFITTE-BARATARIA-CROWN POINT VOLUNTEER FIRE CO.

NOTES TO FINANCIAL STATEMENTS (continued)

December 31, 2024

D. FIRE PROTECTION CONTRACT

The Fire Company has a contractual agreement with the Parish of Jefferson under which the Fire Company is to provide fire protection and related services in a specifically designated area of Fire Protection District No. 4. The agreement provides that the fire Company is to receive from the Parish a sum of money in monthly installments which will represent the net proceeds of the property tax levied annually by Fire Protection District No. 4. The Fire Company also receives from the Parish the 2% fire insurance premium tax which the Parish receives from the State of Louisiana for Fire Protection District No. 4.

E. DONATED SERVICES

A significant contribution of time is made by unpaid volunteers to accomplish the purpose for which the Fire Company was established. The value of this contributed time is not included in the accompanying financial statements because it is not susceptible to objective measurement or evaluation.

F. ECONOMIC DEPENDENCY

Substantially all of the Fire Company's public support is derived from funds provided by Jefferson Parish. On October 9, 2018, the Fire Company contracted with the Parish to provide fire-fighting and rescue services for a period of ten years.

G. LEASES

The Fire Company leases a portion of ground from Jefferson Parish for an annual rental of \$1. The Fire Company has constructed a fire station (#43) on the ground at a cost of \$110,000. This amount is included in the General Fixed Assets Group.

H. CONCENTRATION OF CREDIT RISK

The Fire Company's income is derived principally from the proceeds of a property tax and other funding under a contract with Jefferson Parish to support fire protection and related services.

LAFITTE-BARATARIA-CROWN POINT VOLUNTEER FIRE CO.

NOTES TO FINANCIAL STATEMENTS (continued)
December 31, 2024

I. SUPPLEMENTAL PAY

The full-time firefighters receive supplemental pay from the State of Louisiana. These payments are made directly to the firefighters and do not pass through the Fire Company and are not included in the Fire Company's financial statements, except for the employer's share of the social security and medicare tax which is borne by the Fire Company.

J. EVALUATION OF SUBSEQUENT EVENTS

The Fire Company's management evaluated events occurring subsequent to the date of the financial statements to determine the accounting for and disclosure of transactions and events that effect the financial statements. Subsequent events have been evaluated through June 2, 2025 which is the date the financial statements were available to be issued.

OTHER SUPPLEMENTAL INFORMATION

LAFITTE-BARATARIA-CROWN POINT
VOLUNTEER FIRE CO.

Lafitte, Louisiana

Schedule of Compensation, Benefits, and Other Payments to
Agency Head or Chief Executive Officer

For the Year Ended December 31, 2024

Agency Head Name: Linton A. Duet, Fire Chief

Purpose

Salary	\$ 79,342
Benefits – insurance	8,562
Benefits – retirement	300
Benefits – other (match deferred comp)	-0-
Car allowance	-0-
Vehicle provided by government	-0-
Per diem	-0-
Reimbursements – cell phones, tolls, car rental	-0-
Travel	-0-
Registration fees	-0-
Conference travel	-0-
Continuing professional education fees	-0-
Housing	-0-
Unvouchered expenses	-0-
Meals	-0-
	<u>\$ 88,204</u>

INTERNAL CONTROL AND COMPLIANCE

UZEE, BUTLER, ARCENEUX & BOWES

CERTIFIED PUBLIC ACCOUNTANTS

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

To Board of Directors of
Lafitte-Barataria-Crown Point Volunteer Fire Company
Lafitte, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Lafitte-Barataria-Crown Point Volunteer Fire Company (a Louisiana nonprofit corporation), which comprise the statement of financial position as December 31, 2024, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated June 2, 2025.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Lafitte-Barataria-Crown Point Volunteer Fire Company's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Lafitte-Barataria-Crown Point Volunteer Fire Company's internal control. Accordingly, we do not express an opinion on the effectiveness of the Lafitte-Barataria-Crown Point Volunteer Fire Company's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings, that we consider to be significant deficiencies in internal control over financial reporting. Material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about Lafitte-Barataria-Crown Point Volunteer Fire Company's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The result of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

This report is intended solely for the information and use of management, the Board of Directors and the Louisiana Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana revised Statute 25.513, this report is distributed by the Legislative Auditor as a public document.



Harvey, Louisiana
June 2, 2025

LAFITTE-BARATARIA-CROWN POINT
VOLUNTEER FIRE COMPANY

Schedule of Current Year Audit Findings
Year Ended December 31, 2024

SUMMARY OF AUDITOR'S REPORTS

1. The opinion issued on our audit of the financial statements of Lafitte-Barataria-Crown Point Volunteer Fire Company for the year ended December 31, 2024 is unqualified.
2. Internal Control:
Significant deficiencies: 2024-01, 2024-02
No material weaknesses were noted
3. Compliance and other matters:
No instances of noncompliance material to the financial statements were noted.

FINANCIAL STATEMENT FINDINGS

2024-01 – Year-End Journal Entries

Condition and Criteria

The Fire Company maintains its books on the cash basis of accounting. Therefore, journal entries were required as part of the audit for financial statement misstatements related to accruals and property and equipment accounts. 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) 115 requires that we 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. The Fire Company has relied on its auditor to identify and correct such financial statement misstatements.

Recommendation

As mentioned, whether or not it would be cost effective to cure a control deficiency is not a factor in applying SAS 115's reporting requirements. Because prudent management requires that the potential benefit from an internal control must exceed its cost, it may not be practical to correct all the deficiencies noted under SAS 115. In this case, we do not believe that curing the significant deficiency described in this finding would be cost effective or practical and accordingly, we do not believe any corrective action is necessary.

Management's Response

Management believes that it is more prudent to use the services of its auditor to prepare the year-end journal entries and agrees with the auditor's recommendations.

LAFITTE-BARATARIA-CROWN POINT
VOLUNTEER FIRE COMPANY

Schedule of Current Year Audit Findings - Continued
Year Ended December 31, 2024

2024-02 – Preparation of Financial Statements

Condition and Criteria

The Fire Company does not have any personnel with the technical ability to prepare its financial statements in accordance with generally accepted accounting principles. As is common in small organizations, the Fire Company 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 on Auditing Standards (SAS) 115 requires that we 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 115's reporting requirements. Because prudent management requires that the potential benefit from an internal control must exceed its cost, it may not be practical to correct all the deficiencies noted under SAS 115. In this case, we do not believe that curing the significant deficiency described in this finding would be cost effective or practical and accordingly, we do not believe any corrective action is necessary.

Management's Response

Management believes that it is more prudent to use the services of its auditor to prepare its annual financial statements and agrees with auditor's recommendation.

LAFITTE-BARATARIA-CROWN POINT
VOLUNTEER FIRE COMPANY

Schedule of Prior Year Audit Findings
Year Ended December 31, 2024

FINANCIAL STATEMENT FINDINGS

2023-01 – Year-End Journal Entries

Condition and Criteria

The Fire Company maintains its books on the cash basis of accounting. Therefore, journal entries were required as part of the audit for financial statement misstatements related to accruals and property and equipment accounts. 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) 115 requires that we 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. The Fire Company has relied on its auditor to identify and correct such financial statement misstatements.

Recommendation

As mentioned, whether or not it would be cost effective to cure a control deficiency is not a factor in applying SAS 115's reporting requirements. Because prudent management requires that the potential benefit from an internal control must exceed its cost, it may not be practical to correct all the deficiencies noted under SAS 115. In this case, we do not believe that curing the significant deficiency described in this finding would be cost effective or practical and accordingly, we do not believe any corrective action is necessary.

Management's Response

Management believes that it is more prudent to use the services of its auditor to prepare the year-end journal entries and agrees with the auditor's recommendations.

LAFITTE-BARATARIA-CROWN POINT
VOLUNTEER FIRE COMPANY

Schedule of Prior Year Audit Findings - Continued
Year Ended December 31, 2024

2023-02 – Preparation of Financial Statements

Condition and Criteria

The Fire Company does not have any personnel with the technical ability to prepare its financial statements in accordance with generally accepted accounting principles. As is common in small organizations, the Fire Company 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 on Auditing Standards (SAS) 115 requires that we 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 115's reporting requirements. Because prudent management requires that the potential benefit from an internal control must exceed its cost, it may not be practical to correct all the deficiencies noted under SAS 115. In this case, we do not believe that curing the significant deficiency described in this finding would be cost effective or practical and accordingly, we do not believe any corrective action is necessary.

Management's Response

Management believes that it is more prudent to use the services of its auditor to prepare its annual financial statements and agrees with auditor's recommendation.