

LAFITTE-BARATARIA-CROWN POINT  
VOLUNTEER FIRE COMPANY  
ANNUAL FINANCIAL REPORT  
DECEMBER 31, 2016

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## INDEPENDENT AUDITOR'S REPORT

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

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, 2016, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Lafitte-Barataria-Crown Point Volunteer Fire Co. as of December 31, 2016, 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.

## Other Matters

### *Other Supplemental Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Lafitte-Barataria-Crown Point Volunteer Fire Co.'s basic financial statements. The schedule of compensation, benefits and other payments to agency head or chief executive officer for the Lafitte-Barataria-Crown Point Volunteer Fire Co. is presented for purposes of additional analysis and are not a required part of the basic financial statements.

The schedule of compensation, benefits, and other payments to agency head or chief executive officer for the Lafitte-Barataria-Crown Point Volunteer Fire Co. is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financials 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 basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

## Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 26, 2017 on our consideration of Lafitte-Barataria-Crown Point Volunteer Fire Co.'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 Co.'s internal control over financial reporting and compliance.



Harvey, Louisiana  
June 26, 2017

## FINANCIAL STATEMENTS

LAFITTE-BARATARIA-CROWN POINT VOLUNTEER FIRE CO.  
STATEMENT OF FINANCIAL POSITION  
DECEMBER 31, 2016

ASSETS

CURRENT ASSETS:

Cash	\$ <u>745,139</u>
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Total current assets	745,139
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Property and equipment	<u>513,804</u>
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Total assets	<u>1,258,943</u>
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LIABILITIES AND NET ASSETS

CURRENT LIABILITIES:

Accounts payable	22,147
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Accrued payables:	
Salaries	9,407

Due to Jefferson Parish	<u>10,500</u>
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Total current liabilities	<u>42,054</u>
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NET ASSETS:

Unrestricted	<u>1,216,889</u>
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Total Liabilities and Net Assets	\$ <u>1,258,943</u>
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See accompanying notes to financial statement.

LAFITTE-BARATARIA-CROWN POINT VOLUNTEER FIRE CO.  
STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2016

	<u>Unrestricted Net Assets</u>
<b>SUPPORT:</b>	
Jefferson Parish:	
Firefighting contract	\$ 642,000
Insurance reimbursements	28,292
Fire insurance premium tax	14,832
Donations	1,905
Dues	604
Interest income	818
Fund raisers	38,285
Rental income	321
Miscellaneous	<u>517</u>
Total support	<u>727,574</u>
<b>EXPENSES:</b>	
Program services - firefighting	678,495
Supporting services - management and general	<u>18,453</u>
Total expenses	<u>696,948</u>
 INCREASE IN UNRESTRICTED NET ASSETS	 30,626
NET ASSETS - Beginning of year	<u>1,186,263</u>
NET ASSETS - End of year	<u>\$ 1,216,889</u>

See accompanying notes to financial statements.

LAFITTE-BARATARIA-CROWN POINT VOLUNTEER FIRE CO.  
STATEMENT OF FUNCTIONAL EXPENSES  
YEAR ENDED DECEMBER 31, 2016

	<u>Program Services</u>	<u>Supporting Services</u>	<u>Total</u>
	<u>Firefighting</u>	<u>Management and General</u>	
Salaries and wages	\$ 353,716	\$ -	\$ 353,716
Bank charges	-	21	21
Depreciation	31,997	-	31,997
Dues and subscription	-	802	802
Firefighting training	1,448	-	1,448
Fuel and truck expense	22,162	-	22,162
Fundraiser expense	-	4,269	4,269
Insurance	176,191	-	176,191
Loss on disposition of asset	2,333	-	2,333
Office expense	-	1,777	1,777
Professional services	-	7,240	7,240
Public relations	-	4,344	4,344
Repairs and maintenance	6,308	-	6,308
Supplies	38,030	-	38,030
Uniforms	1,645	-	1,645
Utilities and telephone	<u>44,665</u>	<u>-</u>	<u>44,665</u>
Total	\$ <u>678,495</u>	\$ <u>18,453</u>	\$ <u>696,948</u>

See accompanying notes to financial statements.



LAFITTE-BARATARIA-CROWN POINT VOLUNTEER FIRE CO.  
STATEMENT OF CASH FLOWS  
YEAR ENDED DECEMBER 31, 2016

CASH FLOWS FROM OPERATING ACTIVITIES:		
Increase in unrestricted net assets	\$	30,626
Adjustment to reconcile change in net assets to net cash provided by operating activities:		
Depreciation		31,997
Loss on disposition of asset		2,333
Increase in accounts and other accrued payables		<u>3,526</u>
Net cash used by operating activities	\$	<u>68,482</u>
NET INCREASE IN CASH		68,482
CASH - Beginning of year		<u>676,657</u>
CASH - End of year	\$	<u>745,139</u>

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

LAFITTE-BARATARIA-CROWN POINT VOLUNTEER FIRE CO.

NOTES TO FINANCIAL STATEMENTS

December 31, 2016

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 4<sup>th</sup> 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 revenues are recognized when earned and expenses are recognized when incurred.

The Fire Company follows Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Nonprofit organizations*. Under SFAS No. 117, the Fire Company is required to report information regarding its financial position and activities according to three classes of net assets; unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. As of December 31, 2008 the Fire Company had only unrestricted net assets.

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

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, 2016.

LAFITTE-BARATARIA-CROWN POINT VOLUNTEER FIRE CO.

NOTES TO FINANCIAL STATEMENTS (continued)  
December 31, 2016

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, 2016, the aggregate carrying amount of the Fire Company's nine bank accounts was \$745,139 and the aggregate bank balances were \$761,286 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, 2016.

	Balance 1/1/16	Additions	Deletions	Balance 12/31/16
Land	\$ 30,000	\$ -0-	\$ -0-	\$ 30,000
Building and improvements	773,794	-0-	-0-	773,794
Equipment	702,762	-0-	70,000	632,762
Total	\$ 1,506,556	\$ -0-	\$ 70,000	\$ 1,436,556
Less accumulated depreciation:				
Building and improvements	372,213	17,382	-0-	389,595
Equipment	586,209	14,615	67,667	533,157
Total	958,422	31,997	67,667	922,752
Net, property and equipment	\$ 548,134	\$ (31,997)	\$ 2,333	\$ 513,804

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, 2016

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 September 21, 2006, 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, 2016

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 26, 2017 which is the date the financial statements were available to be issued. No events occurring after this date have been evaluated for inclusion in these financial statements.

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, 2016

**Agency Head Name: Linton A. Duet, Fire Chief**

**Purpose**

Salary	\$ 63,152
Benefits – insurance	14,412
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	100
Conference travel	-0-
Continuing professional education fees	-0-
Housing	-0-
Unvouchered expenses	-0-
Meals	-0-
	<u>\$ 77,964</u>



## INTERNAL CONTROL AND COMPLIANCE

# UZEE, BUTLER, ARCENEUX & BOWES

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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, 2016, 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 26, 2017.

### **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 26, 2017

LAFITTE-BARATARIA-CROWN POINT  
VOLUNTEER FIRE COMPANY

Schedule of Current Year Audit Findings  
Year Ended December 31, 2016

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, 2016 is unqualified.
2. Internal Control:  
Significant deficiencies: 2016-01, 2016-02  
No material weaknesses were noted
3. Compliance and other matters:  
No instances of noncompliance material to the financial statements were noted.

FINANCIAL STATEMENT FINDINGS

**2016-01 – 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, 2016

**2016-02 – 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, 2016

FINANCIAL STATEMENT FINDINGS

**2015-01 – 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, 2016

**2015-02 – 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.