

**West Baton Rouge Parish Fire Protection District No. 1
A Component Unit of the
West Baton Rouge Parish Council
Port Allen, Louisiana
Financial Report
December 31, 2022**

Table of Contents

Independent Auditor's Report	Page 3
Basic Financial Statements	
Government-wide Financial Statements	
Statement of Net Position	Page 6
Statement of Activities	Page 7
Fund Financial Statements	
Balance Sheet – Governmental Funds	Page 8
Reconciliation of the Governmental Funds	
Balance Sheet to the Statement of Net Position	Page 9
Statement of Revenue, Expenditures and Changes in Fund Balances – Governmental Funds	Page 10
Reconciliation of the Statement of Revenue, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	Page 11
Notes to Financial Statements	Page 12
Required Supplementary Information	
Schedule of Changes in Total OPEB Liability and Related Ratios	Page 29
Schedule of Proportionate Share of Net Pension Liability	Page 30
Schedule of Contributions	Page 31
Statement of Revenue, Expenditures and Change in Fund Balance Budget and Actual (Non-GAAP Budgetary Basis) – General Fund	Page 32
Notes to Required Supplementary Information	Page 33
Supplementary Information	
Schedule of Compensation, Benefits, and Other Payments to Agency Head or Chief Executive Officer	Page 36
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 <i>Government Auditing Standards</i>	Page 37
Schedule of Findings and Responses	Page 39
Summary Schedule of Prior Year Findings	Page 40



Independent Auditor's Report

To the Fire Chief and Board of Commissioners of
West Baton Rouge Parish Fire Protection District No. 1
Port Allen, Louisiana

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of West Baton Rouge Parish Fire Protection District No. 1, a component unit of West Baton Rouge Parish Council, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise West Baton Rouge Parish Fire Protection District No. 1's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of West Baton Rouge Parish Fire Protection District No. 1, as of December 31, 2022, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of West Baton Rouge Parish Fire Protection District No. 1 and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about West Baton Rouge Parish Fire Protection District No. 1's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of West Baton Rouge Parish Fire Protection District No. 1'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 West Baton Rouge Parish Fire Protection District No. 1's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the schedule of changes in total OPEB liability and related ratios, schedule of proportionate share of net pension liability, schedule of contributions, and statement of revenue, expenditures and change in fund balance budget and actual (non-GAAP budgetary basis) – general fund be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted management’s discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise West Baton Rouge Parish Fire Protection District No. 1’s basic financial statements. The schedule of compensation, benefits, and other payments to agency head or chief executive officer is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of compensation, benefits, and other payments to agency head or chief executive officer is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 26, 2023, on our consideration of West Baton Rouge Parish Fire Protection District No. 1’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of West Baton Rouge Parish Fire Protection District No. 1’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering West Baton Rouge Parish Fire Protection District No. 1’s internal control over financial reporting and compliance.

Hawthorn, Waymouth & Carroll, L.L.P.

June 26, 2023

West Baton Rouge Parish Fire Protection District No. 1
Statement of Net Position
December 31, 2022

	<u>Governmental Activities</u>
Assets	
Cash and cash equivalents	\$ 2,610,789
Taxes receivable	383,430
Prepaid insurance	220,760
Capital assets	
Non-depreciable	396,301
Depreciable, net	<u>4,141,369</u>
Total assets	<u>7,752,649</u>
Deferred Outflows of Resources	
Resources related to net pension liability	1,085,008
Resources related to other postemployment benefit liability	<u>1,180,236</u>
Total deferred outflows of resources	<u>2,265,244</u>
Liabilities	
Accounts payable	39,450
Accrued liabilities	37,410
Non-current liabilities	
Due in more than one year	<u>4,432,734</u>
Total liabilities	<u>4,509,594</u>
Deferred Inflows of Resources	
Resources related to net pension liability	368,689
Resources related to other postemployment benefit liability	<u>1,142,211</u>
Total deferred inflows of resources	<u>1,510,900</u>
Net Position	
Net investment in capital assets	4,537,670
Unrestricted (deficit)	<u>(540,271)</u>
Total net position	<u><u>\$ 3,997,399</u></u>

The accompanying notes are an integral part of these financial statements.

West Baton Rouge Parish Fire Protection District No. 1
Statement of Activities
Year Ended December 31, 2022

		Program Revenue		
Expenses	Charges for Services	Operating Grants and Contributions	Net (Expense) Revenue and Change in Net Position	
Function/Program				
Governmental activities				
Public safety	\$ 3,659,067	\$ -	\$ -	\$ (3,659,067)
Interest and fiscal charges on long-term debt	9,228	-	-	(9,228)
Total governmental activities	\$ 3,668,295	\$ -	\$ -	(3,668,295)
General Revenue				
Taxes - sales and use			4,726,675	
Fire insurance premium			206,680	
Interest			18,719	
Miscellaneous			68,483	
Total general revenue			5,020,557	
Change in net position				1,352,262
Net Position				
Beginning of year			2,645,137	
End of year			\$ 3,997,399	

The accompanying notes are an integral part of these financial statements.

West Baton Rouge Parish Fire Protection District No. 1
Balance Sheet
Governmental Funds
December 31, 2022

	General Fund	Debt Service Fund	Total
Assets			
Cash and cash equivalents	\$ 2,610,789	\$ -	\$ 2,610,789
Taxes receivable	383,430	-	383,430
Prepaid insurance	220,760	-	220,760
Total assets	\$ 3,214,979	\$ -	\$ 3,214,979
Liabilities			
Accounts payable	\$ 39,450	\$ -	\$ 39,450
Accrued liabilities	37,410	-	37,410
Total liabilities	76,860	-	76,860
Fund Balances			
Nonspendable	220,760	-	220,760
Unassigned	2,917,359	-	2,917,359
Total fund balances	3,138,119	-	3,138,119
Total liabilities and fund balances	\$ 3,214,979	\$ -	\$ 3,214,979

The accompanying notes are an integral part of these financial statements.

West Baton Rouge Parish Fire Protection District No. 1
Reconciliation of the Governmental Funds
Balance Sheet to the Statement of Net Position
December 31, 2022

Total fund balances - governmental funds \$ 3,138,119

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds:

Governmental capital assets	\$ 14,695,746	
Less accumulated depreciation	(10,158,076)	4,537,670

Certain long-term assets and deferred outflows of resources are not available resources and, therefore, are not reported in the governmental funds:

Deferred outflows of resources related to net pension liability	1,085,008	
Deferred outflows of resources related to other postemployment benefit liability	1,180,236	2,265,244

Long-term liabilities and deferred inflows of resources are not due and payable in the current period and, therefore, are not reported in the governmental funds:

Net pension liability	(2,909,539)	
Other postemployment benefit liability	(1,523,195)	
Deferred inflows of resources related to net pension liability	(368,689)	
Deferred inflows of resources related to other postemployment benefit liability	(1,142,211)	(5,943,634)

Total net position - governmental activities \$ 3,997,399

The accompanying notes are an integral part of these financial statements.

West Baton Rouge Parish Fire Protection District No. 1
Statement of Revenue, Expenditures and Changes in Fund Balances –
Governmental Funds
Year Ended December 31, 2022

	General Fund	Debt Service Fund	Total
Revenue			
Taxes - sales and use	\$ 4,726,675	\$ -	\$ 4,726,675
Fire insurance premium	206,680	-	206,680
Interest	18,719	-	18,719
Miscellaneous	68,483	-	68,483
Total revenue	5,020,557	-	5,020,557
Expenditures			
Current			
Public safety	3,592,635	-	3,592,635
Capital outlay	23,931	-	23,931
Debt service			
Principal	-	2,109,000	2,109,000
Interest and other charges	-	9,228	9,228
Total expenditures	3,616,566	2,118,228	5,734,794
Excess (Deficiency) of Revenue over (under) Expenditures	1,403,991	(2,118,228)	(714,237)
Other Financing Sources (Uses)			
Operating transfers in	-	2,063,576	2,063,576
Operating transfers out	(2,063,576)	-	(2,063,576)
Total other financing sources (uses)	(2,063,576)	2,063,576	-
Net Change in Fund Balances	(659,585)	(54,652)	(714,237)
Fund Balances			
Beginning of year	3,797,704	54,652	3,852,356
End of year	\$ 3,138,119	\$ -	\$ 3,138,119

The accompanying notes are an integral part of these financial statements.

**West Baton Rouge Parish Fire Protection District No. 1
Reconciliation of the Statement of Revenue, Expenditures and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
Year Ended December 31, 2022**

Net change in fund balances - governmental funds \$ (714,237)

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

Governmental funds report capital outlay 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:

Capital outlay	\$ 23,931	
Depreciation expense	<u>(330,757)</u>	(306,826)

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds:

Change in:		
Net pension liability	(1,441,250)	
Other postemployment benefit liability	936,376	
Deferred outflows of resources related to net pension liability	567,952	
Deferred outflows of resources related to other postemployment benefit liability	19,492	
Deferred inflows of resources related to net pension liability	941,901	
Deferred inflows of resources related to other postemployment benefit liability	(760,146)	
Bonds payable	<u>2,109,000</u>	<u>2,373,325</u>

Change in net position - governmental activities \$ 1,352,262

The accompanying notes are an integral part of these financial statements.

West Baton Rouge Parish Fire Protection District No. 1
Notes to Financial Statements
December 31, 2022

Note 1-Summary of Significant Accounting Policies

West Baton Rouge Parish Fire Protection District No. 1 (“the Fire District”) was created by the West Baton Rouge Parish Council (“the Council”), as provided by Louisiana Revised Statute (R.S.) 40:1503. The Fire District is a separate government body that is governed by a board that consists of the current sitting members of the Council. The Fire District comprises all of West Baton Rouge Parish and maintains five fire stations. The Fire District serves approximately 28,000 residents of West Baton Rouge Parish.

The following is a summary of certain significant accounting policies:

A. Financial Reporting Entity

Section 2100 of the Governmental Accounting Standards Board (GASB) *Codification of Governmental Accounting and Financial Reporting Standards*, establishes criteria for determining the financial reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the Fire District is considered a component unit of the Council.

The accompanying financial statements present information only on the funds maintained by the Fire District and do not present information on the Council, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

B. Basis of Presentation

The Fire District’s basic financial statements consist of the government-wide statements and the fund financial statements (individual major funds). These statements are prepared in accordance with accounting principles generally accepted in the United States of America as applied to governmental units and promulgated by GASB.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide financial statements consist of the statement of net position and the statement of activities to report information on all of the financial activities of the Fire District. The effects of interfund activity have been removed from these statements. These statements include all the financial activities of the Fire District. The Fire District has no business-type activities.

The statement of activities presents a comparison between direct expenses and program revenues for each of the functions of the Fire District’s governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

FUND FINANCIAL STATEMENTS

The accounts of the Fire District are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements. The various funds of the Fire District are all classified as governmental. The emphasis on fund financial statements is on major governmental funds.

West Baton Rouge Parish Fire Protection District No. 1
Notes to Financial Statements
December 31, 2022

Note 1-Summary of Significant Accounting Policies (Continued)

B. Basis of Presentation (Continued)

FUND FINANCIAL STATEMENTS (Continued)

Governmental Funds

General Fund – The General Fund is the Fire District's primary operating fund, and it accounts for all financial resources of the Fire District, except those required to be accounted for in other funds. The General Fund is available for any purpose provided it is expended or transferred in accordance with state and federal laws and according to the Fire District's policy. This fund is considered to be a major fund.

Debt Service Fund – The Debt Service Fund is to record monies for payment of the Revenue Refunding Bonds, Series 2016. This fund is considered to be a major fund.

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as “due to/from other funds.” While these balances are reported in the fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in the governmental activities are eliminated so that only the net amount is included in the governmental activities' column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements, these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in the governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities' column.

C. Basis of Accounting/Measurement Focus

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. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

All governmental funds are accounted for using a current financial resources measurement focus. Generally, with this measurement focus, only current assets and current liabilities are included on the balance sheet. Operating statements of these funds present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net position. Governmental funds are maintained on the modified accrual basis of accounting.

Governmental fund revenues resulting from exchange transactions are recognized in the fiscal year in which the exchange takes place and meets the government's availability criteria (susceptible to accrual). Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. The Fire District defines “available” as expected to be received within sixty days of the end of the fiscal year. Most governmental miscellaneous revenues are recorded as earned since they are measurable and available.

West Baton Rouge Parish Fire Protection District No. 1
Notes to Financial Statements
December 31, 2022

Note 1-Summary of Significant Accounting Policies (Continued)

C. Basis of Accounting/Measurement Focus (Continued)

Non-exchange transactions, in which the Fire District receives value without directly giving value in return, include sales tax, grants, and donations. Sales taxes are considered “measurable” when the underlying transaction occurs and meets the availability criteria. Anticipated refunds of such taxes are recorded as fund liabilities and reductions in revenue when they are measurable and valid. Revenue from grants and donations are recognized in the fiscal year in which all the eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources can be used.

If measurable, expenditures are recognized in the accounting period in which the related fund liability is incurred except for the following: (1) principal and interest on long-term debt are recorded when due, and (2) claims and judgments, group health claims, arbitrage payable, net pension obligation and compensated absences are recorded as expenditures in the governmental fund type when paid with expendable, available financial resources. Allocations of costs, such as depreciation and amortization, are not recognized in the governmental funds.

D. Cash and Cash Equivalents

Cash and interest-bearing deposits are stated at cost, which approximates market. Cash and cash equivalents are considered to be cash on hand, demand deposits, and certificates of deposit purchased with an original maturity of three months or less, and any certificates of deposit that do not contain material early withdrawal penalties.

E. Receivables and Payables

Receivables consist of all revenues earned at year end and not yet received. Payables consist of all expenses incurred at year end and not yet paid.

F. Capital Assets

Capital assets purchased or acquired are reported at historical cost or estimated cost if historical cost is not available. Contributed assets are recorded as capital assets at their estimated fair market value at the date of donation. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives: Buildings and improvements (40 years) and Equipment (5-10 years).

G. Leases

Leases are recognized in accordance with GASB No. 87, *Leases*. At the commencement of a lease, the Fire District initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over the shorter of its useful life or the lease term.

West Baton Rouge Parish Fire Protection District No. 1
Notes to Financial Statements
December 31, 2022

Note 1-Summary of Significant Accounting Policies (Continued)

H. Compensated Absences

Firemen of the Fire District are entitled to full pay during sickness or incapacity not brought about by their own negligence or culpable indiscretion for a period not to exceed fifty-two weeks. Sick leave is not paid upon termination. With respect to vacation, firemen, after having served one year, shall be entitled to an annual vacation of eighteen days with full pay. This vacation period shall be increased one day for each year of service over ten years, up to a maximum vacation period of thirty days, all of which shall be with full pay. The unrecorded liability for accumulated vacation leave was \$44,147 as of December 31, 2022, which is not material to the financial statements.

I. Net Position

Net position represents the difference between assets plus deferred outflows of resources, less liabilities, less deferred inflows of resources. *Net investment in capital assets* consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any debt proceeds used for the acquisition, construction, or improvement of those assets. Net position is reported as *restricted* when there are limitations imposed on its use by external parties such as creditors, grantors, or laws or regulations of other governments.

When both restricted and unrestricted resources are available for use, it is the Fire District's policy to first use restricted resources then unrestricted resources as they are needed.

J. Fund Balance

The following fund balance classifications describe the relative strength of spending constraints placed on the purposes for which resources can be used:

- *Nonspendable* – includes amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to be maintained intact.
- *Restricted* – includes amounts restricted by external sources (creditors, laws of other governments, bondholders, etc.) or by constitutional provisions or enabling legislation.
- *Committed* – includes amounts that can only be used for specific purposes. Committed fund balance is reported pursuant to directives of the Fire District's Board who has the highest level of decision-making authority. Commitments may be modified or rescinded only through actions of the Fire District's Board.
- *Assigned* – includes amounts that the Fire District intends to use for a specific purpose, but do not meet the definition of restricted or committed fund balance. The Fire District may assign amounts to this classification.
- *Unassigned* – includes amounts that have not been assigned to other funds or restricted, committed or assigned to a specific purpose within the General Fund. The Fire District reports all amounts that meet the unrestricted General Fund Balance Policy described below as unassigned.

When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the Fire District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Fire District has provided otherwise in its commitment or assignment actions.

West Baton Rouge Parish Fire Protection District No. 1
Notes to Financial Statements
December 31, 2022

Note 1-Summary of Significant Accounting Policies (Continued)

J. Fund Balance (Continued)

The Fire District establishes (and modifies or rescinds) fund balance commitments by passage of an ordinance. This is done through adoption and amendments of the budget. A fund balance commitment is further documented in the budget document as a designation or commitment of the fund (such as special incentives). Assigned fund balance is established by the Fire District through adoption or amendment of the budget as intended for a specific purpose (such as the purchase of capital assets, construction, debt service, or for other purposes).

K. Deferred Outflows/Inflows of Resources

The statement of net position will often report a separate section for deferred outflows and/or deferred inflows of financial resources. *Deferred outflows of resources* represent a consumption of net position that applies to future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. *Deferred inflows of resources* represent an acquisition of net position that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

L. Long-Term Debt

The accounting treatment of long-term debt depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements. All long-term debt to be repaid from governmental resources is reported as liabilities in the government-wide financial statements. Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest are reported as expenditures.

M. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions. The estimates affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. They may also affect the reported amounts of revenues and expenditures in the government-wide financial statements during the reporting period. Actual results could differ from those estimates.

Note 2-Cash and Cash Equivalents

Deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

For deposits, custodial credit risk is the risk that, in the event of the failure of the counter-party, the Fire District will not be able to recover the value of its investment or collateral securities that are in possession of an outside party. At December 31, 2022, the Fire District's bank balances were fully insured and collateralized with securities held in the name of the Fire District by the pledging financial institution's agent and, therefore, not exposed to custodial credit risk.

West Baton Rouge Parish Fire Protection District No. 1
Notes to Financial Statements
December 31, 2022

Note 3-Capital Assets

Capital asset activity for the year ended December 31, 2022 was as follows:

	<u>Balance December 31, 2021</u>	<u>Additions</u>	<u>Adjustments and Deletions</u>	<u>Balance December 31, 2022</u>
Capital assets not being depreciated:				
Land	\$ 396,301	\$ -	\$ -	\$ 396,301
Capital assets being depreciated:				
Buildings and improvements	4,740,682	23,931	-	4,764,613
Equipment	<u>9,534,832</u>	<u>-</u>	<u>-</u>	<u>9,534,832</u>
Total capital assets being depreciated	<u>14,275,514</u>	<u>23,931</u>	<u>-</u>	<u>14,299,445</u>
Less accumulated depreciation for:				
Buildings and improvements	(1,916,788)	(121,365)	-	(2,038,153)
Equipment	<u>(7,910,531)</u>	<u>(209,392)</u>	<u>-</u>	<u>(8,119,923)</u>
Total accumulated depreciation	<u>(9,827,319)</u>	<u>(330,757)</u>	<u>-</u>	<u>(10,158,076)</u>
Total capital assets being depreciated, net	<u>4,448,195</u>	<u>(306,826)</u>	<u>-</u>	<u>4,141,369</u>
Capital assets, net	<u>\$ 4,844,496</u>	<u>\$ (306,826)</u>	<u>\$ -</u>	<u>\$ 4,537,670</u>

Note 4-Pension Plan

Plan Description

The Firefighters' Retirement System ("the System") is the administrator of a cost-sharing, multiple-employer plan. Members in the System consist of full-time firefighters, eligible employees of the System, or any person in a position as defined in the municipal fire and police civil service system that earns at least \$375 per month, excluding state supplemental pay, and is employed by a fire department of any municipality, parish, or fire district of the state of Louisiana, except for Orleans Parish and the City of Baton Rouge. The System provides retirement, disability, and death benefits for its members. The projections of benefit payments in the calculation of the total pension liability includes all benefits to be provided to current active and inactive employees through the System in accordance with benefit terms and any additional legal agreements to provide benefits that are in force at the measurement date.

Benefit provisions are authorized within Act 434 of 1979 and amended by R.S. 11:2251-2272. The following is a brief description of the plan and its benefits and is provided for general information purposes only. Participants should refer to the appropriate statutes for more complete information.

Any person who becomes an employee as defined in R.S. 11:2252 on and after January 1, 1980 shall become a member as a condition of employment.

West Baton Rouge Parish Fire Protection District No. 1
Notes to Financial Statements
December 31, 2022

Note 4-Pension Plan (Continued)

Plan Description (Continued)

No person who has attained age fifty or over shall become a member of the System, unless the person becomes a member by reason of a merger or unless the System received an application for membership before the applicant attained the age of fifty. No person who has not attained the age of eighteen years shall become a member of the System.

Any person who has retired from service under any retirement system or pension fund maintained basically for public officers and employees of the state, its agencies or political subdivisions and who is receiving retirement benefits therefrom may become a member of this System, provided the person meets all other requirements for membership. Service credit for the retirement system or pension plan from which the member is retired shall not be used for reciprocal recognition of service with this System or for any other purpose in order to attain eligibility or increase the amount of service credit in this System.

Retirement Benefits

Employees with 20 or more years of service who have attained age 50, or employees who have 12 years of service who have attained age 55, or 25 years of service at any age are entitled to annual pension benefits equal to 3.333% of their average final compensation based on the 36 consecutive months of highest pay multiplied by their total years of service, not to exceed 100%. Employees may elect to receive their pension benefits in the form of a joint and survivor annuity.

If employees terminate before completing 12 years of service, they forfeit the right to receive the portion of their accumulated plan benefits attributable to their employer's contributions.

Benefits are payable over the retirees' lives in the form of a monthly annuity. A member may elect the maximum benefit (unreduced benefit which ceases upon the member's death) or any of six other options at retirement.

Disability Benefits

A member who acquires a disability, and who files for disability benefits while in service, and who upon medical examination and certification as provided for in Title 11, is found to have a total disability solely as the result of injuries sustained in the performance of his official duties, or for any cause, provided the member has at least five years of creditable service and provided that the disability was incurred while the member was an active contributing member in active service, shall be entitled to disability benefits under the provisions of R.S. 11:2258(B).

Death Benefits

Benefits shall be payable to the surviving eligible spouse or designated beneficiary of a deceased member as specified in R.S. 11:2256(B) & (C).

Deferred Retirement Option Plan

After completing 20 years of creditable service and reaching age 50, or 25 years of creditable service at any age, a member may elect to participate in the deferred retirement option plan (DROP) for up to 36 months.

West Baton Rouge Parish Fire Protection District No. 1
Notes to Financial Statements
December 31, 2022

Note 4-Pension Plan (Continued)

Plan Description (Continued)

Deferred Retirement Option Plan (Continued)

Upon commencement of participation in the deferred retirement option plan, employer and employee contributions to the System cease. The monthly retirement benefit that would have been payable is paid into the member's DROP account. Upon termination of employment, a participant in the program has several options to receive their DROP benefit. A member may (1) elect to roll over all or a portion of their DROP balance into another eligible qualified plan, (2) receive a lump-sum payment from the account, (3) receive single withdrawals at the discretion of the member, (4) receive monthly or annual withdrawals, or (5) receive an annuity based on the DROP balance. These withdrawals are in addition to the member's regular monthly benefit.

If employment is not terminated at the end of the 36 months, the participant resumes regular contributions to the System. No withdrawals may be made from the deferred retirement option plan account until the participant retires.

Initial Benefit Option Plan

Effective June 16, 1999, members eligible to retire and who do not choose to participate in DROP may elect to receive, at the time of retirement, an initial benefit option (IBO) in an amount up to 36 months of benefits, with an actuarial reduction of their future benefits. Such amounts may be withdrawn or remain in the IBO account earning interest at the same rate as a DROP account.

Funding Policy

Contributions

Contribution requirements for employers, non-employer contributing entities, and employees are established and may be amended in accordance with Title 11 and Title 22 of the Louisiana Revised Statutes.

Employer and Employee Contributions

Employer contributions are actuarially determined each year. For the year ended June 30, 2022, employer and employee contribution rates for members above the poverty line were 33.75% and 10.00%, respectively. The employer and employee contribution rates for those members below the poverty line were 35.75% and 8.00%, respectively.

Non-employer Contributions

The System also receives insurance premium assessments from the state of Louisiana. The assessment is considered support from a non-employer contributing entity and appropriated by the legislature each year based on an actuarial study. Non-employer contributions were recognized as revenue during the year ended June 30, 2022, and were excluded from pension expense.

West Baton Rouge Parish Fire Protection District No. 1
Notes to Financial Statements
December 31, 2022

Note 4-Pension Plan (Continued)

Pension Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2022, the Fire District reported a liability of \$2,909,539 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The allocation method used in determining each employer's proportion was based on each employer's contributions to the System during the year ended June 30, 2022, as compared to the total of all combined contributions to the System during the fiscal year ended June 30, 2022. At the June 30, 2022 measurement date, the Fire District's proportion was 0.413%, which was a decrease of 0.001% from its proportion measured at the June 30, 2021 measurement date. For the year ended December 31, 2022, the Fire District recognized pension expense of \$279,460.

At December 31, 2022, the Fire District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 17,390	\$ 137,140
Changes in assumptions	239,913	-
Net difference between projected and actual earnings on pension plan investments	659,087	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	231,549
Contributions subsequent to measurement date	168,618	-
	<u>\$ 1,085,008</u>	<u>\$ 368,689</u>

The Fire District reported a total of \$168,618 as deferred outflows of resources related to pensions resulting from the Fire District's contributions subsequent to the measurement date. This amount will be recognized as a reduction of the net pension liability in the year ending December 31, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense (benefit) as follows for the years ending December 31:

2023	\$	124,869
2024		86,011
2025		29,011
2026		318,042
2027		(1,180)
Thereafter		(9,052)
	<u>\$</u>	<u>547,701</u>

West Baton Rouge Parish Fire Protection District No. 1
Notes to Financial Statements
December 31, 2022

Note 4-Pension Plan (Continued)

Actuarial Assumptions

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2022 is as follows for the System:

Valuation Date	June 30, 2022
Actuarial Cost Method	Entry age normal cost
Actuarial Assumptions:	
Expected Remaining Service Lives	7 years, closed period
Investment Rate of Return	6.90% per annum (net of investment expenses, including inflation)
Inflation Rate	2.50% per annum
Employee Mortality	Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Employees multiplied by 105% for males and 115% for females, with full generational projection using the appropriate MP-2019 scale.
Annuitant and Beneficiary Mortality	Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Healthy Retirees multiplied by 105% for males and 115% for females, with full generational projection using the appropriate MP-2019 scale.
Disabled Annuitant Mortality	Pub-2010 Public Retirement Plans Mortality Table for Safety Disabled Retirees with full generational projection using the appropriate MP-2019 scale.
Salary Increases	Vary from 14.10% in the first two years of service to 5.20% with 3 or more years of service; includes inflation and merit increases.
Cost of Living Adjustments	Only those previously granted.

The mortality rate assumption used was set based upon an experience study performed on plan data for the period July 1, 2014 through June 30, 2019. The data was then assigned credibility weighting and combined with a standard table to produce current levels of mortality. This mortality was then projected forward to a period equivalent to the estimated duration of the System's liabilities.

West Baton Rouge Parish Fire Protection District No. 1
Notes to Financial Statements
December 31, 2022

Note 4-Pension Plan (Continued)

Actuarial Assumptions (Continued)

The estimated long-term expected rate of return on pension plan investments was determined using the target asset allocation and the G.S. Curran & Company Consultant Average Study for 2022. The consultants' average study included projected nominal rates of return, standard deviations of returns, and correlations of returns for a list of common asset classes collected from a number of investment consultants and investment management firms. Using the target asset allocation and the average values for expected real rates of return, standard deviation of returns, and correlation of returns, an arithmetic expected nominal rate of return and standard deviation for the portfolio was determined. The long-term assumed rate of inflation of 2.50% was used in this process.

Best estimates of arithmetic real rates of return for each major asset class included in the System's target asset allocation as of June 30, 2022 are summarized in the following table:

	<u>Asset Type</u>	<u>Target Asset Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Equity	U.S. Equity	27.50%	5.64%
	Non-U.S. Equity	11.50%	5.89%
	Global Equity	10.00%	5.99%
	Emerging Market Equity	7.00%	7.75%
Fixed Income	U.S. Core Fixed Income	18.00%	0.84%
	U.S. TIPS	3.00%	0.51%
	Emerging Market Debt	5.00%	2.99%
Alternatives	Private Equity/Private Debt	9.00%	8.99%
	Real Estate	6.00%	4.57%
	Real Assets	3.00%	4.89%
Multi-Asset Strategies	Global Tactical Asset Allocation	0.00%	3.14%
	Risk Parity	<u>0.00%</u>	3.14%
		<u>100.00%</u>	

Discount Rate

The discount rate used to measure the total pension liability was 6.90%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates, and that contributions from participating employers and non-employer contributing entities will be made at the actuarially-determined rates approved by the System's Board of Trustees and by the Public Retirement Systems' Actuarial Committee taking into consideration the recommendation of the System's actuary. Based on these assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

West Baton Rouge Parish Fire Protection District No. 1
Notes to Financial Statements
December 31, 2022

Note 4-Pension Plan (Continued)

Sensitivity of Employer’s Proportionate Share of Net Pension Liability to Changes in Discount Rate

The following presents the Fire District’s proportionate share of the net pension liability using the discount rate of 6.90%, as well as what the employer’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.90%) or one percentage point higher (7.90%) than the current rate:

	Changes in Discount Rate		
	1% Decrease <u>(5.90%)</u>	Current Discount Rate <u>(6.90%)</u>	1% Increase <u>(7.90%)</u>
Fire District’s proportionate share of net pension liability	\$ 4,304,341	\$ 2,909,539	\$ 1,746,177

Pension Plan Fiduciary Net Position

The System issued a stand-alone audit report on its financial statements for the year ended June 30, 2022. Access to the audit report can be found on the System’s website: www.ffret.com or on the Office of the Louisiana Legislative Auditor’s official website: www.la.gov.

Note 5-Other Postemployment Benefit Plan (OPEB)

Plan Description

The Fire District is part of the Council’s OPEB plan, which is a single-employer defined benefit plan administered by the Council. The OPEB plan does not issue a stand-alone financial report. All classified employees of the Fire District, at their option, participate in the employees’ group life and health insurance programs. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75 to pay related benefits.

Benefits Provided

The Fire District currently offers a HDHP and a PPO plan to all full-time employees, as well as to retired and retirement-eligible employees. All retirees age 65 and older that have Part A and Part B of Medicare must go on the Humana 65 Plan.

Additionally, a Health Savings Account (HSA) is also offered to all participants in the HDHP. The Fire District pays 100% of the premiums for all full-time employees, retirees, and retirement-eligible employees.

The Fire District also contributes to the participants that utilize the HSA as follows:

Family	\$800 annually
Two-party	\$800 annually
Single	\$400 annually

West Baton Rouge Parish Fire Protection District No. 1
Notes to Financial Statements
December 31, 2022

Note 5-Other Postemployment Benefit Plan (OPEB) (Continued)

Benefits Provided (Continued)

The Fire District pays 50% of the premium for life insurance policies for all full-time and retired employees who choose to participate. Eligible retirees are provided a basic life insurance benefit with a policy amount of \$25,000. The amount decreases to \$5,000 at age 65, then to \$1,000 after age 70.

Employees Covered by Benefit Terms

At December 31, 2022, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	7
Active employees	17
	24

Funding Policy

Currently, the employees and retirees do not contribute to the premiums for health insurance. This is established after the yearly quotes have been awarded and addressed in the annual operating budget and may be amended in subsequent years. For 2022, the plan was funded by the Fire District which paid 100% of the health insurance premiums and 50% of the life insurance premiums. Additionally, the Fire District contributes to the HSA of all HDHP participants based on the schedule shown above. The employer contribution to the OPEB plan for 2022 totaled \$142,650, or approximately 8.40% of gross payroll. The only contributions required by the retirees were their 50% match on the life insurance.

Total OPEB Liability, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

The Fire District's total OPEB liability of \$1,523,195 was measured and determined by an actuarial valuation as of December 31, 2022. At the December 31, 2022 measurement date, the Fire District's proportion was 7.50%, which was a decrease of 1.28% from the proportion at the December 31, 2021 measurement date. For the year ended December 31, 2022, the Fire District recognized OPEB benefit of \$195,722.

At December 31, 2022, the Fire District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 319,180	\$ 30,605
Changes in assumptions	632,969	896,679
Changes in proportion	228,087	214,927
	\$ 1,180,236	\$ 1,142,211

West Baton Rouge Parish Fire Protection District No. 1
Notes to Financial Statements
December 31, 2022

Note 5-Other Postemployment Benefit Plan (OPEB) (Continued)

Total OPEB Liability, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Deferred outflows of resources and deferred inflows of resources related to other postemployment benefits will be recognized in OPEB expense (benefit) as follows for the years ending December 31:

2023	\$	66,375
2024		66,375
2025		66,375
2026		63,301
2027		(87,288)
Thereafter		<u>(137,113)</u>
	\$	<u>38,025</u>

Actuarial Methods and Assumptions

A summary of the actuarial methods and assumptions used in determining the total OPEB liability as of December 31, 2022 is as follows:

Valuation Date	December 31, 2022
Actuarial Method	Individual Entry Age Normal Cost – Level Percentage of Projected Salary
Actuarial Assumptions:	
Inflation Rate	2.50%
Salary Increase Rate	3.50%
Discount Rate	4.31% based on the recently published S&P Municipal Bond 20 Year High Grade Rate Index
Health Care Cost Trend	Level 4.50%
Mortality	RPH-2014 Total Table with Projection MP-2021

The Plan assumes that 100% of all employees and their dependents who are eligible for retiree benefits participate in the postemployment benefit plan.

West Baton Rouge Parish Fire Protection District No. 1
Notes to Financial Statements
December 31, 2022

Note 5-Other Postemployment Benefit Plan (OPEB) (Continued)

Sensitivity Analysis of the Total OPEB Liability to Changes in the Current Healthcare Cost Trend Rate

The following presents the Fire District's proportionate share of the total OPEB liability using the healthcare cost trend rate of 4.50%, as well as what the Fire District's proportionate share of the total OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percentage point lower (3.50%) or one percentage point higher (5.50%) than the current rate:

	Changes in Healthcare Cost Trend Rate		
	1% Decrease (3.50%)	Current Healthcare Cost Trend Rate (4.50%)	1% Increase (5.50%)
Fire District's proportionate share of total OPEB liability	\$ 1,310,876	\$ 1,523,195	\$ 1,798,683

Sensitivity Analysis of the Total OPEB Liability to Changes in the Discount Rate

The following presents the Fire District's proportionate share of the total OPEB liability using the discount rate of 4.31%, as well as what the Fire District's proportionate share of the total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (3.31%) or one percentage point higher (5.31%) than the current rate:

	Changes in Discount Rate		
	1% Decrease (3.31%)	Current Discount Rate (4.31%)	1% Increase (5.31%)
Fire District's proportionate share of total OPEB liability	\$ 1,760,405	\$ 1,523,195	\$ 1,332,987

Note 6-Non-Current Liabilities

Changes in Non-Current Liabilities

	Balance, December 31, 2021	Additions	Reductions	Balance, December 31, 2022	Due Within One Year
Governmental Activities					
Bonds payable	\$ 2,109,000	\$ -	\$ (2,109,000)	\$ -	\$ -
Net pension liability	1,468,289	1,441,250	-	2,909,539	-
OPEB liability	<u>2,459,571</u>	<u>141,039</u>	<u>(1,077,415)</u>	<u>1,523,195</u>	<u>-</u>
Total non-current liabilities	<u>\$ 6,036,860</u>	<u>\$ 1,582,289</u>	<u>\$ (3,186,415)</u>	<u>\$ 4,432,734</u>	<u>\$ -</u>

West Baton Rouge Parish Fire Protection District No. 1
Notes to Financial Statements
December 31, 2022

Note 7-Risk Management

The Fire District is exposed to various risks of loss related to torts, thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Fire District has purchased commercial insurance to cover or reduce the risk of loss that might arise should one of these incidents occur. There have been no significant reductions in coverage from the prior period. No settlements were made during the year ended December 31, 2022 that exceeded the Fire District's coverage.

Note 8-Compensation Paid to the Board

There was no compensation paid to the board during the year ended December 31, 2022.

Note 9-Recently Adopted Accounting Pronouncement

The Fire District adopted GASB Statement No. 87, *Leases*. The objective of GASB Statement No. 87, *Leases*, is to better meet the information needs of the financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that were previously classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-of-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The Fire District adopted this statement effective January 1, 2022; however, the adoption of this statement had no effect on the government-wide or fund financial statements as of December 31, 2022.

Note 10-New Accounting Pronouncements to Be Implemented

GASB Statement No. 96, *Subscription Based Information Technology Arrangements*, provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement: (1) defines a SBITA; (2) establishes that a SBITA results in subscription assets (an intangible asset) and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding SBITAs. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended. The requirements of this statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. The Fire District is currently evaluating the effect this standard will have on its financial statements.

Note 11-Subsequent Events

The Fire District evaluated all subsequent events through June 26, 2023, the date the financial statements were available to be issued. As a result, the Fire District noted no subsequent events that required adjustment to, or disclosure in, these financial statements.

Required Supplementary Information

West Baton Rouge Parish Fire Protection District No. 1
Schedule of Changes in Total OPEB Liability and Related Ratios
Years Ended December 31, 2022, 2021, 2020, 2019, and 2018*

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability					
Service cost	\$ 89,987	\$ 84,606	\$ 89,073	\$ 67,590	\$ 64,928
Interest	51,052	42,852	58,658	35,182	32,786
Difference between expected and actual experience	(16,317)	421,985	(25,841)	239	-
Change of assumptions	(918,448)	28,450	(146,435)	1,225,991	-
Benefit payments	<u>(142,650)</u>	<u>(110,096)</u>	<u>(70,794)</u>	<u>(64,808)</u>	<u>(19,059)</u>
Net Change in Total OPEB Liability	(936,376)	467,797	(95,339)	1,264,194	78,655
Total OPEB Liability - Beginning	<u>2,459,571</u>	<u>1,991,774</u>	<u>2,087,113</u>	<u>822,919</u>	<u>744,264</u>
Total OPEB Liability - Ending	<u>\$ 1,523,195</u>	<u>\$ 2,459,571</u>	<u>\$ 1,991,774</u>	<u>\$ 2,087,113</u>	<u>\$ 822,919</u>
Covered payroll	\$ 1,034,925	\$ 1,072,510	\$ 1,060,026	\$ 1,142,409	\$ 1,049,955
Total OPEB liability as a percentage of covered payroll	147.2%	229.3%	187.9%	182.7%	78.4%

*This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

West Baton Rouge Parish Fire Protection District No. 1
Schedule of Proportionate Share of Net Pension Liability
Years Ended December 31, 2022, 2021, 2020, 2019, 2018, 2017, 2016, and 2015*

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Proportion of net pension liability	0.413%	0.414%	0.430%	0.466%	0.476%	0.481%	0.492%	0.494%
Proportionate share of net pension liability	\$ 2,909,539	\$ 1,468,289	\$ 2,978,284	\$ 2,920,848	\$ 2,740,727	\$ 2,758,384	\$ 3,219,126	\$ 2,664,884
Covered payroll	\$ 1,034,925	\$ 1,072,510	\$ 1,060,026	\$ 1,142,409	\$ 1,049,955	\$ 1,142,371	\$ 1,036,487	\$ 1,546,314
Proportionate share of net pension liability as a percentage of covered payroll	281.14%	136.90%	280.96%	255.67%	261.03%	241.46%	310.58%	172.34%
Plan fiduciary net position as a percentage of total pension liability	74.68%	86.78%	72.61%	73.96%	74.76%	73.55%	68.16%	72.45%

*This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

West Baton Rouge Parish Fire Protection District No. 1
Schedule of Contributions
Years Ended December 31, 2022, 2021, 2020, 2019, 2018, 2017, 2016, and 2015*

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Statutorily required contributions	\$ 346,552	\$ 352,347	\$ 318,643	\$ 310,720	\$ 310,910	\$ 295,388	\$ 296,881	\$ 452,297
Contributions in relation to statutorily required contributions	\$ 346,552	\$ 352,347	\$ 318,643	\$ 310,720	\$ 310,910	\$ 295,388	\$ 296,881	\$ 452,297
Contribution deficiency	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$1,034,925	\$1,072,510	\$1,060,026	\$1,142,409	\$1,049,955	\$1,142,371	\$1,036,487	\$1,546,314
Contributions as a percentage of covered payroll	33.49%	32.85%	30.06%	27.20%	29.61%	25.86%	28.64%	29.25%

*This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

West Baton Rouge Parish Fire Protection District No. 1
Statement of Revenue, Expenditures and Change in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis) – General Fund
Year Ended December 31, 2022

	<u>Budgeted Amounts</u>		Actual (Budgetary Basis)	Final Variance Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>		
Revenue				
Taxes - sales and use	\$ 3,534,370	\$ 4,024,965	\$ 4,667,201	\$ 642,236
Fire insurance premium	107,000	107,000	206,680	99,680
Interest	22,000	22,000	19,292	(2,708)
Miscellaneous	<u>57,000</u>	<u>57,000</u>	<u>988</u>	<u>(56,012)</u>
Total revenue	<u>3,720,370</u>	<u>4,210,965</u>	<u>4,894,161</u>	<u>683,196</u>
Expenditures				
Current				
Public safety	3,701,217	3,825,425	3,282,509	542,916
Capital outlay	<u>236,000</u>	<u>236,000</u>	<u>258,092</u>	<u>(22,092)</u>
Total expenditures	<u>3,937,217</u>	<u>4,061,425</u>	<u>3,540,601</u>	<u>520,824</u>
Net Change in Fund Balance	(216,847)	149,540	1,353,560	1,204,020
Fund Balance				
Beginning of year	<u>3,458,757</u>	<u>3,458,757</u>	<u>3,458,757</u>	<u>-</u>
End of year	<u>\$ 3,241,910</u>	<u>\$ 3,608,297</u>	<u>\$ 4,812,317</u>	<u>\$ 1,204,020</u>

West Baton Rouge Parish Fire Protection District No. 1
Notes to Required Supplementary Information
December 31, 2022

Notes to the schedule of changes in total OPEB liability and related ratios:

Note 1-Changes of Benefit Terms

There were no changes of benefit terms for the year ended December 31, 2022.

Note 2-Changes of Assumptions

As of the December 31, 2022 measurement date, the mortality assumption for this valuation was updated using the RPH-2014 total table with Projection MP-2021. The healthcare cost trend rate remained at 4.50% and the discount rate increased from 2.06% to 4.31% since the previous valuation.

Notes to the schedules of proportionate share of net pension liability and the schedule of contributions:

Note 3-Changes of Benefit Terms

There were no changes of benefit terms for the year ended December 31, 2022.

Note 4-Changes of Assumptions

The Firefighters' Retirement System's discount rate remained at 6.90% since the previous valuation.

Notes to the budgetary comparison schedule:

Note 5-Budget and Budgetary Accounting

The Fire District follows these procedures in establishing the budgetary data reflected in the financial statements:

- Prior to November 1, the Fire Chief submits to the Fire District a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
- A public hearing is conducted to obtain taxpayer comments.
- Prior to January 1, the budget is legally enacted by an ordinance.
- Any revisions to alter the total expenditures of any fund must be approved by the Fire District.
- Formal budgetary integration is employed as a management control device during the year for the General Fund. Formal budgetary integration is not employed for the Debt Service Fund because effective budgetary control is achieved through general obligation bond indenture provisions.
- The appropriated budget for the General Fund is adopted on the cash basis. Budgetary comparisons presented in this report compare the adopted budget with actual data on the budgetary (cash) basis.
- All budgetary appropriations lapse at the end of each fiscal year.
- Budgeted amounts are shown as originally adopted or amended by the Fire District. Each year the budgetary information for comparisons includes the amended budget.

West Baton Rouge Parish Fire Protection District No. 1
Notes to Required Supplementary Information
December 31, 2022

Note 6-Budgetary-GAAP Reporting Reconciliation

Budgetary comparisons presented in this report are on the budgetary basis. Certain adjustments are necessary to compare actual data on a GAAP basis versus budget basis. Adjustments reconciling the excess of revenues over expenditures and other financing uses at year end on the GAAP basis to the budgetary basis are as follows:

	General Fund
Net change in fund balance (Budgetary Basis)	\$ 1,353,560
Adjustments for accruals	<u>(2,067,797)</u>
Net change in fund balances (GAAP basis)	<u>\$ (714,237)</u>

Supplementary Information

**West Baton Rouge Parish Fire Protection District No. 1
Schedule of Compensation, Benefits, and Other
Payments to Agency Head or Chief Executive Officer
Year Ended December 31, 2022**

**Agency Head Name: Charles Stephens, Interim Fire Chief
January 1, 2022 through June 3, 2022**

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 48,312
Benefits - insurance	4,777
Benefits - retirement	16,305
Car allowance	-
Vehicle provided by government	-
Per diem	-
Reimbursements	-
Travel	-
Registration fees	-
Conference travel	-
Continuing professional education fees	-
Housing	-
Unvouchered expenses	-
Special meals	-

**Agency Head Name: Butch Browning, Fire Superintendent
June 3, 2022 through December 31, 2022**

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 27,916
Benefits - insurance	-
Benefits - retirement	-
Car allowance	-
Vehicle provided by government	-
Per diem	-
Reimbursements	-
Travel	-
Registration fees	-
Conference travel	-
Continuing professional education fees	-
Housing	-
Unvouchered expenses	-
Special meals	-



**HAWTHORN
WAYMOUTH
& CARROLL, L.L.P.**
Certified Public Accountants

Louis C. McKnight, III, CPA
Charles R. Pevey, Jr., CPA
David J. Broussard, CPA
Brittany B. Thames, CPA
Kevin M. Rodriguez, CPA

**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 the Fire Chief and Board of Commissioners of
West Baton Rouge Parish Fire Protection District No. 1
Port Allen, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of West Baton Rouge Parish Fire Protection District No. 1, a component unit of West Baton Rouge Parish Council, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise West Baton Rouge Parish Fire Protection District No. 1's basic financial statements, and have issued our report thereon dated June 26, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered West Baton Rouge Parish Fire Protection District No. 1's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of West Baton Rouge Parish Fire Protection District No. 1's internal control. Accordingly, we do not express an opinion on the effectiveness of West Baton Rouge Parish Fire Protection District No. 1'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, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether West Baton Rouge Parish Fire Protection District No. 1's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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 entity'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.

Hawthorn, Waymouth & Carroll, L.L.P.

June 26, 2023

West Baton Rouge Parish Fire Protection District No. 1
Schedule of Findings and Responses
Year Ended December 31, 2022

Part I. Summary of Auditor's Results

- 1) An unmodified opinion has been expressed on the financial statements of the governmental activities and each major fund of West Baton Rouge Parish Fire Protection District No. 1 as of and for the year ended December 31, 2022, and the related notes to the financial statements.
- 2) No deficiencies in internal control over financial reporting that we consider to be material weaknesses were identified.
- 3) No instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* were identified.
- 4) A single audit in accordance with *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* was not required.
- 5) A management letter was not issued.

Part II. Findings Related to an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

No findings were noted.

West Baton Rouge Parish Fire Protection District No. 1
Summary Schedule of Prior Year Findings
Year Ended December 31, 2022

Part I. Findings Related to an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

No findings were noted.

Part II. Management Letter

A management letter was not issued for the year ended December 31, 2021.

**West Baton Rouge Parish Fire Protection District No. 1
Statewide Agreed-Upon Procedures Report
December 31, 2022**



**Independent Accountant's Report
on Applying Agreed-Upon Procedures**

To the Board of Directors of West Baton Rouge Parish Fire Protection District No. 1 and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2022 through December 31, 2022. West Baton Rouge Parish Fire Protection District No. 1's management is responsible for those C/C areas identified in the SAUPs.

West Baton Rouge Parish Fire Protection District No. 1 has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period January 1, 2022 through December 31, 2022. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

1) *Written Policies and Procedures*

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

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

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

- v. **Payroll/Personnel**, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee rates of pay or approval and maintenance of pay rate schedules.
- No exceptions were found as a result of this procedure.*
- vi. **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- No exceptions were found as a result of this procedure.*
- vii. **Travel and Expense Reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- No exceptions were found as a result of this procedure.*
- viii. **Credit Cards (and debit cards, fuel cards, purchase cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
- No exceptions were found as a result of this procedure.*
- ix. **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.
- The Entity's written policies and procedures on ethics do not specifically address criterion (3) system to monitor possible ethics violations.*
- x. **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- No exceptions were found as a result of this procedure.*
- xi. **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.
- The Entity's written policies and procedures on information technology disaster recovery/business continuity do not specifically address criteria (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.*
- xii. **Prevention of Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.
- No exceptions were found as a result of this procedure.*

2) *Board or Finance Committee*

- A. Obtained and inspected the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and
- i. Observed that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

No exceptions were found as a result of this procedure.

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

The minutes did not mention budget-to-actual comparisons on the general fund for any meetings held.

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

The entity did not have a negative ending unassigned fund balance in the general fund in the prior year audit report; therefore, this procedure is not applicable.

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

Entity did not have any prior year audit findings; therefore, this procedure is not applicable.

3) *Bank Reconciliations*

- A. Obtained a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Asked management to identify the entity's main operating account. Selected the entity's main operating account and randomly selected 4 additional accounts (or all accounts if less than 5). Randomly selected one month from the fiscal period, obtained, and inspected the corresponding bank statement and reconciliation for each selected account, and observed that:

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

No exceptions were found as a result of this procedure.

- ii. Bank reconciliations included written evidence that a member of management or a board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

4) Collections (excluding electronic funds transfers)

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

No exceptions were found as a result of this procedure.

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

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

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

- D. Randomly selected two deposit dates for each of the bank accounts selected for Bank Reconciliations procedure #3A. Obtained supporting documentation for each of the deposits and:

- i. Observed that receipts are sequentially pre-numbered.

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

- iii. Traced the deposit slip total to the actual deposit per the bank statement.

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

- v. Traced the actual deposit per the bank statement to the general ledger.

No exceptions were found as a result of this procedure.

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

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

No exceptions were found as a result of this procedure.

- B. For each location selected under procedure #5A above, obtained a listing of those employees involved with non-payroll purchasing and payment functions. Obtained written policies and procedures relating to employee job duties, and observed that job duties are properly segregated such that

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

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

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

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

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

- D. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3A, randomly selected 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observed that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy.

No exceptions were found as a result of this procedure.

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

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

No exceptions were found as a result of this procedure.

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

- i. Observed whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved) by someone other than the authorized card holder; and

No exceptions were found as a result of this procedure.

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

Finance charges and late fees were assessed on the combined statements.

- C. Using the monthly statements or combined statements selected under procedure #6B above, excluding fuel cards, randomly selected 10 transactions (or all transactions if less than 10) from each statement, and obtained supporting documentation for the transactions. For each transaction, observed that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only).

No exceptions were found as a result of this procedure.

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

Entity did not have any travel or travel-related expense reimbursements; therefore, these procedures are not applicable.

- A. Obtained from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly selected 5 reimbursements and obtained the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected;
 - i. If reimbursed using a per diem, observed that the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov);
 - ii. If reimbursed using actual costs, observed that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased;
 - iii. Observed that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observed that the documentation includes the names of those individuals participating) and other documentation required by Written Policies and Procedures procedure #1A(vii); and
 - iv. Observed that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

8) Contracts

- A. Obtained from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. Obtained management's representation that the listing is complete. Randomly selected 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract; and
 - i. Observed whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law;

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

- iv. Randomly selected one payment from the fiscal period for each of the 5 contracts, obtained the supporting invoice, agreed the invoice to the contract terms, and observed that the invoice and related payment agreed to the terms and conditions of the contract.

No exceptions were found as a result of this procedure.

9) Payroll and Personnel

- A. Obtained a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly selected 5 employees or officials, obtained related paid salaries and personnel files, and agreed paid salaries to authorized salaries/pay rates in the personnel files.

No exceptions were found as a result of this procedure.

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

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

No exceptions were found as a result of this procedure.

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

For the pay period selected, there is no evidence that a supervisor approved the attendance of four of the five selected employees.

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

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

- D. Obtained management's representation that employer and employee portions of third-party payroll related amounts have been paid, and any associated forms have been filed, by required deadlines.

No exceptions were found as a result of this procedure.

10) Ethics

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

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

One of the five employees had no documentation to support completion of one hour of ethics training during the calendar year.

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

No exceptions were found as a result of this procedure.

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

The agency has not appointed an ethics designee as required by R.S. 42:1170.

11) Debt Service

Entity did not have any debt; therefore, these procedures are not applicable.

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

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

12) Fraud Notice

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

Not applicable; there were no misappropriations of public funds identified during the fiscal period.

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

No exceptions were found as a result of this procedure.

13) Information Technology Disaster Recovery/Business Continuity

A. Performed the following procedures:

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

We performed the procedure and discussed the results with management.

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

We performed the procedure and discussed the results with management.

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

We performed the procedure and discussed the results with management.

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

One of the five terminated employees was disabled from the network after the fiscal year.

14) Prevention of Sexual Harassment

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

For two of the five employees, management was unable to provide documentation of one hour of sexual harassment training during the calendar year.

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

No exceptions were found as a result of this procedure.

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

- i. Number and percentage of public servants in the agency who have completed the training requirements;

No exceptions were found as a result of this procedure.

- ii. Number of sexual harassment complaints received by the agency;
No exceptions were found as a result of this procedure.
- iii. Number of complaints which resulted in a finding that sexual harassment occurred;
No exceptions were found as a result of this procedure.
- iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action;
and
No exceptions were found as a result of this procedure.
- v. Amount of time it took to resolve each complaint.
No exceptions were found as a result of this procedure.

We were engaged by West Baton Rouge Parish Fire Protection District No. 1 to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of West Baton Rouge Parish Fire Protection District No. 1 and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

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

Hawthorn, Waymouth & Carroll, L.L.P.

June 26, 2023



West Baton Rouge Parish Fire Department

Chief Butch Browning, EFO, CFO
Fire Chief

Deanna Fourroux
Director of Administration

P.O. Box 757
Port Allen, La 70757
Fax: (225) 346-5675
Office: (225) 346-5676
deanna.fourroux@wbrCouncil.org

June 19th, 2023

Hawthorn, Waymouth & Carroll, L.L.P.
8545 United Plaza Boulevard, Suite 200
Baton Rouge, LA 70809

We hereby acknowledge our agreement with the exceptions noted in your report on applying agreed-upon procedures to certain control and compliance areas identified in the Louisiana Legislative Auditor's Statewide Agreed-Upon Procedures, for the fiscal period January 1, 2022 through December 31, 2022. We will address the exceptions and take necessary action to correct them.

Sincerely,

Chance Stephens, Assistant Finance Director
West Baton Rouge Parish Council