

**Fire Protection Sub - District No. 1 of  
West Baton Rouge Parish  
Addis, Louisiana**

**Annual Financial Report**

**As of and for the year Ended December 31, 2012**

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## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Commissioners of  
Fire Protection Sub - District No. 1 of West Baton Rouge Parish  
Addis, Louisiana

### **Report on Financial Statements**

I have audited the accompanying financial statements of the governmental activities and each major fund of the **FIRE PROTECTION SUB-DISTRICT NO. 1 OF WEST BATON ROUGE PARISH, LOUISIANA, (the "Sub-District")**, as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

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

### **Auditor's Responsibility**

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

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

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

Board of Commissioners of  
Fire Protection Sub - District No. 1 of West Baton Rouge Parish  
Addis, Louisiana

## **Opinions**

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Fire Protection Sub-District No. 1 of West Baton Rouge Parish, Louisiana as of December 31, 2012, and the respective changes in financial position thereof for the year then ended, in accordance with accounting principles generally accepted in the United States of America

## **Emphasis of Matter**

As described in Note 1 to the financial statements, in 2012, the Sub-District adopted new accounting guidance GASB Statement No. 63 *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position*. My opinion is not modified with respect to this matter.

## **Other Matters**

### *Prior Year Summarized Comparative Totals*

The prior year summarized comparative information has been derived from the Sub-District's 2011 financial statements and, in my report dated June 20, 2012, I expressed an unqualified opinion on the respective financial statements of the governmental activities and each major fund.

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3 through 7, and pages 26 and 27 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

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

In accordance with *Government Auditing Standards*, I have also issued a report dated June 19, 2013, on my consideration of the District's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of my audit.

***W. Kathleen Beard, CPA***

June 19, 2013

**Required Supplementary Information**  
**Management's Discussion and Analysis**

**FIRE PROTECTION SUB-DISTRICT No. 1  
OF WEST BATON ROUGE PARISH  
ADDIS, LOUISIANA**

**MANAGEMENT DISCUSSION AND ANALYSIS (UNAUDITED)**

**DECEMBER 31, 2012**

We offer the readers of the financial statements of the Fire Protection Sub-district No. 1 of West Baton Rouge Parish this narrative overview and analysis of the financial activities of the Fire Protection Sub-district No. 1 of West Baton Rouge Parish in Addis, Louisiana (hereafter referred to as the "District") for the fiscal year ended December 31, 2012.

**FINANCIAL HIGHLIGHTS**

Key financial highlights for the 2012 fiscal year include the following:

- The District's net position decreased by \$27,976.
- General revenues of the District were \$266,765.
- The total expenditures/expenses of the District were \$296,108.

**OVERVIEW OF THE BASIC FINANCIAL STATEMENTS**

This discussion and analysis is intended to serve as an introduction to the basic financial statements. The District's basic financial statements are comprised of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Government-Wide Financial Statements**

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business, and are reported in two government-wide financial statements:

The **Statement of Net Position** presents information on all of the District's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in the net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The **Statement of Activities** presents information showing how the District's net position changed during the most recent fiscal year. All current year revenues and expenses are included regardless of when cash is received or paid. An important purpose of the design of the statement of activities is to show the financial reliance of the District's distinct activities or functions on revenues provided by the District's taxpayers.

The District's government-wide financial statements distinguish functions that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The District's sole operation of fire protection is classified as a governmental activity.

### **Fund Financial Statements**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District uses fund accounting to ensure and demonstrate compliance with finance-related laws and regulations. All of the funds of the District are governmental type funds.

**Governmental Funds:** These funds are reported in the fund financial statements and encompass the same functions reported as governmental activities in the government-wide financial statements. The focus is very different with fund statements providing a distinctive view of the District's governmental funds. These statements report short-term fiscal accountability focusing on the use of spendable resources and balances of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the near-term.

The focus of governmental funds is narrower than that of the government-wide financial statements; therefore, a comparison should be made between the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. This will present a better understanding of the long-term impact of the government's near-term financing decisions.

The District maintains two individual governmental funds, the General Fund and the Debt Service Fund. Information is presented separately in the governmental fund Balance Sheet and in the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund and the Debt Service Fund, both of which are considered to be major funds.

The District adopts an annual appropriated budget. A budgetary comparison schedule has been provided for the District's operations to demonstrate compliance with this budget.

### **Notes to the Financial Statements**

The notes included in this report provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The District's assets exceed its liabilities by \$912,060 at the close of the 2012 year.

A condensed version of the District's net position is presented as follows:

	2012	2011
Current assets	\$ 212,360	\$ 212,372
Capital assets	1,012,488	1,073,037
Total assets	<u>1,224,848</u>	<u>1,285,409</u>
Current liabilities	44,662	49,166
Noncurrent liabilities	268,127	296,208
Total liabilities	<u>312,789</u>	<u>345,373</u>
Invested in capital assets, net of related debt	716,280	746,351
Unrestricted	195,780	193,685
Total net assets	<u>\$ 912,060</u>	<u>\$ 940,036</u>

Most of the funding for the District's operation and maintenance is provided by sales taxes. The District's general revenues increased by 8% in 2012, primarily due to an increase in sales tax revenue of \$22,620. Total expenses increased by 1% or \$3,451 in 2012.

A condensed version of the District's statement of activities is presented as follows:

	2012	2011
<b>Revenues</b>		
Program revenues:		
Operating grants and contributions	\$ 1,367	\$ -
General revenues:		
Public safety sales and use tax	253,224	230,604
Other general revenues	13,541	15,464
Total revenues	<u>268,132</u>	<u>246,068</u>
<b>Program Expenses</b>		
Public safety	268,655	273,385
Intergovernmental	13,500	13,322
Interest on long-term debt	13,953	5,950
Total expenses	<u>296,108</u>	<u>292,657</u>
Increase (decrease) in net assets	(27,976)	(46,589)
Net assets, beginning of year	940,036	986,625
Net assets, end of year	<u>\$ 912,060</u>	<u>\$ 940,036</u>

## GOVERNMENTAL FUND FINANCIAL ANALYSIS

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

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

As a measure of the District's liquidity, it may be useful to compare fund balance to total expenditures. Fund balance represents 78.8% of total fund expenditures.

The fund balance of the District increased by \$6,833 during the current year.

## BUDGETARY HIGHLIGHTS

There were no amendments to the general fund's budget during the year. The District received \$22,632 more than the budgeted revenues, with the majority of this excess generated by a favorable variance in sales taxes of \$23,224. Total expenditures were \$15,799 more than the budget.

## CAPITAL ASSETS

The District's investment in capital assets as of December 31, 2012, amounts to \$716,280 (net of accumulated depreciation of \$704,528 and related debt of \$296,208). This investment in capital assets includes land, buildings, line and hydrants, firefighting equipment, vehicles, and office furniture and equipment. The total decrease in the District's investment in capital assets for 2012 was \$30,071, a decrease of 4% from the prior year.

### DISTRICT'S CAPITAL ASSETS (net of accumulated depreciation)

	2012	2011
Land	\$ 92,000	\$ 92,000
Buildings	190,273	197,537
Line & Hydrants	5,254	5,582
Firefighting Equipment	38,970	34,400
Vehicles	684,990	741,515
Office furniture & Equipment	1,001	2,003
	<u>\$ 1,012,488</u>	<u>\$ 1,073,037</u>

## **ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

Management considered the following factors when setting the budget for the year ending December 31, 2013:

- The only grant money the District expects to receive is \$1,000 from WBR Emergency Response Task Force.
- The capital outlay budget includes \$2,000 for equipment purchases in 2013.
- Sales Tax Revenues for the year 2013 are expected to rise approximately \$10,000, with the expectation of a rise in the economy in the State.
- The population of West Baton Rouge Parish has continued to grow rapidly. All tax revenues (sales taxes/millages) in the Parish are reviewed and adjusted on a routine basis - the growth of the Parish is reflected by the increases in tax dollars and the resources are directed where the evaluation dictates. The Sales Tax distribution for the Fire Sub-districts remains fixed at the initial adoption and has never been reevaluated. The needs and growth of the Fire Sub-districts vary, as the population demographics change. The West Baton Rouge Parish Council and the Sub-Districts in the Parish are currently in the process of re-evaluating the distribution of sales taxes -- a change which requires passage through the Legislature.

## **CONTACTING THE DISTRICT'S MANAGEMENT**

This financial report is designed to provide a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. Any questions about this report or requests for additional information may be directed to Richard Wood, Fire Chief, Fire Sub-District #1 of West Baton Rouge Parish, Addis, LA 70710.

# **Basic Financial Statements**

**Fire Sub-District No. 1 of West Baton Rouge Parish**  
**Statement of Net Position**  
**December 31, 2012 with summarized comparative totals for 2011**

	<b>Primary Government Governmental Activities</b>	
<b>ASSETS:</b>	<b>2012</b>	<b>2011</b>
Cash and cash equivalents	\$ 193,385	\$ 194,833
Accounts receivable (net)	17,849	16,413
Due from other governments	1,126	1,126
Total Current Assets	212,360	212,372
Capital assets:		
Non-depreicable:	92,000	92,000
Depreciable (net)	920,488	981,037
Total Capital Assets (net)	1,012,488	1,073,037
Total assets	1,224,848	1,285,409
<b>LIABILITIES:</b>		
Accounts payable	6,465	13,310
Accrued interest payable	10,116	5,377
Non-current liabilities:		
Obligation under capital lease		
Amount due in one year	28,081	30,479
Amount due in more than one year	268,127	296,208
Total liabilities	312,789	345,374
<b>NET POSIITION:</b>		
Net investment in capital assets	716,280	746,351
Unrestrictec	195,780	193,685
Total net position	\$ 912,060	\$ 940,036

The accompanying notes to the financial statements are an integral part of this statement

Fire Sub-District No. 1 of West Baton Rouge Parish  
Statement of Activities

For the Year Ended December 31, 2012 with summarized comparative totals for 2011

<u>Functions/Programs</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position</u>	
<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Primary Government Governmental Activities</u>	<u>Total</u>
<u>2012</u>	<u>2012</u>	<u>2012</u>	<u>2012</u>	<u>2012</u>	<u>2011</u>
<b>Primary government</b>					
Governmental activities -					
Public safety	\$ 268,655	\$ 1,367	-	\$ (267,288)	\$ (273,385)
Intergovernmental	13,500	-	-	(13,500)	(13,322)
Interest on long-term debt	13,953	-	-	(13,953)	(5,950)
Total governmental activities	296,108	1,367	-	(294,741)	(292,657)
General revenues					
Public safety sales and use tax				253,224	230,604
Fire insurance rebate				13,321	13,449
Miscellaneous income				0	1,400
Investment income				220	615
Total general revenues				266,765	246,068
<b>Change in net position</b>				<b>(27,976)</b>	<b>(46,589)</b>
<b>Net position, January 1,</b>				940,036	986,625
<b>Net position, December 31,</b>	<b>\$ 912,060</b>			<b>\$ 912,060</b>	<b>\$ 940,036</b>

The accompanying notes to the financial statements are an integral part of this statement.

**Fire Sub-District No. 1 of West Baton Rouge**  
**Balance Sheet**  
**Governmental Funds - General Fund**  
**December 31, 2012 with summarized comparative totals for 2011**

	<b>2012</b>	<b>2011</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 193,385	\$ 194,833
investments	-	-
Receivables -		
Intergovernmental - sales tax	17,849	16,413
Due from Town of Addis	1,126	1,126
	<b>\$212,360</b>	<b>\$212,372</b>
<b>LIABILITIES AND FUND BALANCES</b>		
Accounts payable and accrued liabilities	\$ 6,465	\$ 13,310
Accrued interest payable	-	-
	6,465	13,310
Total Liabilities	6,465	13,310
Fund Balances -		
Unassigned	205,895	199,062
	205,895	199,062
Total Fund Balances	205,895	199,062
	<b>\$ 212,360</b>	<b>\$ 212,372</b>

The accompanying notes to the financial statements are an integral part of this statement.

**Fire Sub-District No. 1 of West Baton Rouge Parish**  
**Reconciliation of the Balance Sheet to the Statement of Net Position**  
**Governmental Funds**  
**December 31, 2012 with summarized comparative totals for 2011**

	<u>2012</u>	<u>2011</u>
Fund Balances - total governmental funds	\$ 205,895	\$ 199,062
Amounts reported for governmental activities in the Statement of Net Assets are different because:		
Capital assets used in governmental activities are not financial resources therefore are not reported in governmental funds		
Governmental capital assets	1,717,016	1,697,464
Less: accumulated depreciation	<u>(704,528)</u>	<u>(624,427)</u>
	1,012,488	1,073,038
Long-term liabilities are not due and payable in the current year and therefore are not reported in the governmental funds		
Accrued interest payable on capital leases	(10,116)	(5,377)
Obligation under capital leases	<u>(296,208)</u>	<u>(326,686)</u>
Net Position of Governmental Activities	<u>\$ 912,060</u>	<u>\$ 940,036</u>

The accompanying notes to the financial statements are an integral part of this statement.

**Fire Sub-District No. 1 of West Baton Rouge Parish**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Governmental Funds - General Fund**  
**Year ended December 31, 2012 with summarized comparative totals for 2011**

	2012	2011
<b>REVENUES:</b>		
Intergovernmental -		
Sales tax	\$ 253,224	\$ 230,604
Fire insurance rebate	13,321	13,449
Miscellaneous	1,367	1,400
Investment income	220	615
Total revenues	268,132	246,068
<b>EXPENDITURES:</b>		
Current		
Public safety	188,554	216,938
Intergovernmental	13,500	13,322
Capital outlay	19,552	627,426
Debt service -		
Principal	30,479	22,268
Interest	9,213	574
Total Debt Service	39,693	22,842
Total expenditures	261,299	880,528
Excess Revenues Over (Under) Expenditures	6,833	(634,459)
<b>OTHER FINANCING SOURCES (USES):</b>		
Proceeds from capital lease financing	0	326,687
Total Other Financing Sources (Uses)	0	326,687
Net Change in Fund Balances	6,833	(307,772)
<b>FUND BALANCE:</b>		
Beginning of Year	199,062	506,834
End of Year	\$ 205,895	\$ 199,062

The accompanying notes to the financial statements are an integral part of this statement.

**Fire Sub-District No. 1 of West Baton Rouge Parish**  
**Reconciliation of the Statement of Revenues, Expenditures and**  
**Changes in Fund Balances to the Statement of Activities**  
**Governmental Funds**  
**December 31, 2012 with summarized comparative totals for 2011**

	2012	2011
Net Change in Fund Balances - total governmental funds	\$ 6,833	\$ (307,772)
Amounts reported for governmental activities in Statement of Net Assets are different because:		
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is depreciated over their estimated useful lives:		
Expenditures for capital assets	19,552	627,426
Less current year depreciation	(80,101)	(56,447)
	(60,549)	570,979
Governmental funds report proceeds of financing by Capital Lease as other financing sources. However, in the Statement of Activities, the principal amount of the Capital Lease is reported as a liability and the accrual of Interest Payable is reported as a liability		
	0	(326,687)
Payment of annual lease payment is an expenditure in the governmental funds but the repayment reduces long-term liabilities in the Statement of Net Assets	(4,739)	(5,377)
	30,479	22,268
Change in Net Position of Governmental Activities	\$ (27,976)	\$ (46,589)

The accompanying notes to the financial statements are an integral part of this statement.

Fire Protection Sub - District No. 1 of West Baton Rouge Parish  
Notes to the Financial Statements  
As of and for the year ended December 31, 2012

**Introduction**

The Fire Protection Sub - District No. 1 of West Baton Rouge Parish was established by the parish governing authority, under the provisions of Louisiana Revised Statute 40:1503. The "Sub - District" was created to do and perform all acts necessary and proper for the purpose of providing fire protection service within the Addis sub - district. Louisiana Revised Statute 40:1503, provides that if a municipality is included within a sub-district, the governing body of the municipality shall be the governing body of the Sub - District. The members of the governing body serve without pay, including per diem. The Sub - District has one full - time and eight part - time employees, all other firemen are volunteers.

The Sub-District's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established in GAAP and used by the Sub - District are discussed below.

**1. Summary of Significant Accounting Policies**

A. Reporting Entity

GASB Statement No. 14, *The Financial Reporting Entity*, established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, no component units were identified for inclusion in the accompanying financial statements.

B. Related Organizations: The following organizations were considered for inclusion in the reporting entity but did not meet all of the requirements. Therefore, these entities were considered to be related organizations not reported in the accompanying basic financial statements.

Addis Volunteer Fire Department - This potential component unit provides volunteer fire services within the city limits. Although the District does provide facilities and some financing, it does not exercise direct control over their operations.

Fire Sub - District No. 1 of West Baton Rouge Parish  
Notes to the Financial Statements  
As of and for the year ended December 31, 2012

**1. Summary of Significant Accounting Policies (Continued)**

**C. Basic Financial Statements – Government–Wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Sub – District. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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

**D. Measurement Focus, Basis of Accounting and Financial Statement Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Sales taxes and interest income associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

Fire Sub - District No. 1 of West Baton Rouge Parish  
Notes to the Financial Statements  
As of and for the year ended December 31, 2012

**1. Summary of Significant Accounting Policies (Continued)**

D. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

The Sub – District reports the following governmental funds:

The General Fund is the Sub – District’s primary operating fund. It accounts for all financial resources of the Sub – District, except those required to be accounted for in another fund.

E. Deposits and Investments

The Sub – District’s cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. State law and the Sub - District’s investment policy allow the Sub - District to invest in collateralized certificates of deposit, government backed securities, state sponsored investment pool, and mutual funds consisting solely of government backed securities.

F. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as “due to/funds other funds” for the current portion of interfund loans. All outstanding balances between funds are reported as “due to/from other funds”.

G. Inventories and Prepaid Items

All inventories are valued at cost. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in the government-wide financial statements.

H. Capital Assets

Capital assets, which include property, plant equipment, and infrastructure assets (e.g. mains, hydrants, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received.

Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. The Sub - District maintains a threshold level of \$2,000 or more for capitalizing capital assets.

Fire Sub - District No. 1 of West Baton Rouge Parish  
Notes to the Financial Statements  
As of and for the year ended December 31, 2012

**1. Summary of Significant Accounting Policies (Continued)**

H. Capital Assets (continued)

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. During the current fiscal year no interest was incurred in the capitalized projects.

Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Furniture and office equipment	5 years
Firefighting equipment	10 years
Vehicles	5 – 15 years
Buildings	40 years
Lines and hydrants	25 years

I. Compensated Absences

The Sub – District has not yet established a policy relating to vacation and sick leave for it's full time employee.

J. Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net assets.

Fire Sub - District No. 1 of West Baton Rouge Parish  
Notes to the Financial Statements  
As of and for the year ended December 31, 2012

**1. Summary of Significant Accounting Policies (Continued)**

K. Fund Equity

In the government-wide financial statements net position is divided into three components:

- Invested in capital assets, net of related debt-consist of the historical cost of capital assets, less accumulated depreciation and less any debt that remains outstanding that was used to finance those assets.
- Restricted net position-consist of net assets that are restricted by the District's creditors, (through debt covenants) by state enabling legislation, (through restrictions on shared revenue), by grantors (both federal and state), and by other contributors.
- Unrestricted-all other net assets are reported in this category.

In the governmental fund financial statements, fund balances are classified as follows:

- Nonspendable – Amounts that cannot be spent either because they are in a nonspendable form or because they are legally or contractually required to be maintained intact.
- Restricted – Amounts for which constraints have been externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or amounts that are imposed by law through constitutional provisions or enabling legislation
- Committed – Amounts that can be used only for specific purposes determined by a formal action by Sub-District resolution.
- Assigned – Amounts that do not meet the criteria to be classified as either restricted or committed but are intended to be used for specific purposes. Amounts can only be assigned by action of the Board of Commissioners.
- Unassigned – All amounts not included in other spendable classifications.

L. Comparative Information

The financial statements include prior-year summarized comparative information in total. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the District's financial statements for the year ended December 31, 2011 from which the summarized information was derived.

M. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from these estimates.

Fire Sub - District No. 1 of West Baton Rouge Parish  
Notes to the Financial Statements  
As of and for the year ended December 31, 2011

**1. Summary of Significant Accounting Policies (Continued)**

N. Impact of Recently Issued Accounting Principles

*Recently Issued and Adopted Accounting Pronouncements*

In May 2009, the GASB issued Statement 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. GASB 54 requires the use of new fund balance classifications and clarifies existing governmental fund type definitions. The requirements of this statement are effective for financial statements for periods beginning after June 15, 2010. The District adopted GASB Statement 54 in fiscal year 2011. Required disclosure is reported in Note 9.

In December 2010, the GASB issued Statement 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. GASB 63 provides guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position and related disclosures. The statement of net assets is renamed the statement of net position and includes four components, assets, deferred outflows of resources, liabilities and deferred inflows of resources. The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2011.

**2. Stewardship, Compliance and Accountability**

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

1. A proposed budget is prepared and submitted to the Executive in Charge and Board of Commissioners prior to the beginning of each fiscal year. The proposed budget is published in the official journal and made available for public inspection. A public hearing is called to obtain taxpayer comments.
2. The budget is adopted through passage of an ordinance prior to commencement of the fiscal year for which the budget is being adopted.
3. Budgetary amendments involving the transfer of funds from one department, program or function to another or involving increases in expenditures resulting from revenues exceeding amounts estimated require approval from the Board of Commissioners.
4. Budgets for the General is adopted on a GAAP basis therefore these funds utilize the same basis of accounting for both budgetary purposes and actual results. The Budgetary Comparison Schedule presents a comparison of budgetary data and actual results of operations for which budgets are legally adopted.
5. All budgetary appropriations lapse at the end of each fiscal year.
6. The level of budgetary control is total appropriations.

Fire Sub - District No. 1 of West Baton Rouge Parish  
Notes to the Financial Statements  
As of and for the year ended December 31, 2012

**3. Deposits and Investments**

Deposits (Cash) – The Sub - District’s deposits are stated at cost, which approximates market. Under state law, these deposits (or 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 bank. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial account that is mutually acceptable to both parties.

Custodial Credit Risk: At December 31, 2012, the carrying amount (book balance) of the Sub - District’s deposits (cash) was \$193,385 and the bank balance was \$214,085. Of the bank balance, all was covered by federal depository insurance.

Investments -

Under state law, the District may invest in United States Bonds, treasury notes or certificates and certificates of deposit. These are classified as investments if their original maturities exceed 90 days. At year end the Sub - District held no investments.

Interest Rate Risk: The District has no formal policy regarding interest rate risk.

The Sub-District has not formally adopted deposit and investment policies.

Fire Sub - District No. 1 of West Baton Rouge Parish  
Notes to the Financial Statements  
As of and for the year ended December 31, 2012

**4. Capital Assets**

Capital assets and depreciation activity as and for the year ended December 31, 2012 is as follows:

	Balance <u>12/31/2011</u>	<u>Increases</u>	<u>Decreases</u>	Balance <u>12/31/2012</u>
<b>Governmental Activities</b>				
Non-depreciable: Land	\$ 92,000	\$ -	\$ -	\$ 92,000
Construction in progress	-	-	-	-
Total Non-depreciable	<u>92,000</u>	-	-	<u>92,000</u>
Depreciable:				
Buildings	290,575	-	-	290,575
Lines & Hydrants	8,209	-	-	8,209
Firefighting equipment	320,579	19,552	-	340,131
Vehicles	966,976	-	-	966,976
Office furniture & equipment	19,125	-	-	19,125
Total Depreciable	<u>1,605,464</u>	<u>19,552</u>	-	<u>1,625,016</u>
Total Capital Assets	<u>1,697,464</u>	<u>19,552</u>	-	<u>1,717,016</u>
Less: Accumulated depreciation				
Buildings	93,038	7,264	-	100,302
Lines & Hydrants	2,627	328	-	2,955
Firefighting equipment	286,179	14,982	-	301,161
Vehicles	225,461	56,525	-	281,986
Office furniture & equipment	17,122	1,001	-	18,124
Total Accumulated Depreciation	<u>624,427</u>	<u>80,101</u>	-	<u>704,528</u>
Total Depreciable, net	<u>981,037</u>			<u>920,488</u>
Capital Assets, net	<u>\$ 1,073,037</u>			<u>\$ 1,012,488</u>

Depreciation expense charged to functions of the primary government as follows:

Public safety - fire	<u>\$ 80,101</u>
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Fire Sub - District No. 1 of West Baton Rouge Parish  
Notes to the Financial Statements  
As of and for the year ended December 31, 2012

**5. Long-Term Debt**

On July 6, 2011 the Sub- District entered into an agreement with Sun Trust Equipment Finance & Leasing Corp. for the purchase of 2011 Ferrara Custom Aerial Truck. The amount financed was \$326,687 at a rate of 3.920% for a term of 116 months. The first annual payment was due February 15, 2012.

The following is a summary of long-term liability activity during the year:

	<u>Total</u> <u>Balance</u> <u>12/31/2011</u>	<u>Additions</u>	<u>Reductions</u>	<u>Total</u> <u>Balance</u> <u>12/31/2012</u>	<u>Amount Due</u> <u>Within One</u> <u>Year</u>
Lease Payable - Sun Trust Equipment Financing	\$ 326,687	\$ -	\$ (30,479)	\$ 296,208	\$ 28,081
Total	<u>326,687</u>	<u>-</u>	<u>(30,479)</u>	<u>296,208</u>	<u>\$ 28,081</u>
Long-Term Portion	<u>\$ 296,208</u>			<u>\$ 268,126</u>	

Minimum lease payments to maturity are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$ 28,081	\$ 11,611	\$ 39,693
2014	29,182	10,511	39,693
2015	30,326	9,367	39,693
2016	31,515	8,178	39,693
2017	32,750	6,942	39,693
2018	34,034	5,659	39,693
2019	35,368	4,324	39,693
2020	36,755	2,938	39,693
2021	38,196	1,497	39,693
	<u>\$ 296,208</u>	<u>\$ 61,027</u>	<u>\$ 357,235</u>

Fire Protection Sub - District No. 1 of West Baton Rouge Parish  
Notes to the Financial Statements  
As of and for the year ended December 31, 2012

**6. Firefighters' Retirement System of Louisiana**

*Plan Description:* Membership in the Louisiana Firefighters' Retirement System is mandatory to all full-time firefighters employed by a municipality, parish, or fire protection district that did not enact an ordinance before January 1, 1980, exempting itself from participation in the System. Employees are eligible to retire at or after age 55 with at least 12 years of creditable service or at or after age 50 with at least 20 years of creditable service. Upon retirement, members are entitled to a retirement benefit, payable monthly for life, equal to 3 1/3% of their final-average salary for each year of creditable service, not to exceed 100% of their final-average salary. Final average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least 12 years of service and do not withdraw their employee contributions may retire at or after age 55 (or at or after age 50 with at least 20 years of creditable service at termination) and receive the benefit accrued their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Firefighters' Retirement System, P. O. Box 94095, Baton Rouge, Louisiana 70804, or by calling (225) 625-4060.

*Funding Policy:* Plan members are required by state statute to contribute 8.0% (January - June) and 10% (July - December) of their annual covered salary and the Sub-District is required to contribute at an actuarially determined rate. The current rate is 21.5% (January - June) and 23.25% (July - December) of annual covered payroll. The contribution requirements of plan members and the Sub-District's are established and may amended by state statute. As provided by R.S. 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Sub-District's contributions to the System for the years ending December 31, 2012, 2011, and 2010 were \$2,756, \$14,496 and \$11,499 respectively, equal to the required contributions for each year. The District's single eligible employee entered the DROP program in March 2012.

**7. Fund Balance**

Fund balance is classified as nonspendable, restricted, committed, assigned and /or unassigned based primarily on the extent to which the Village is bound to observe constraints imposed upon the use of the resourced in the governmental funds. The constraints placed on fund balance for the major governmental funds are presented as follows:

General Fund Unassigned	<u>\$205,895</u>
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Fire Protection Sub - District No. 1 of West Baton Rouge Parish  
Notes to the Financial Statements  
As of and for the year ended December 31, 2012

**8. Economic Dependence**

Sales tax revenues are collected by the West Baton Rouge Parish Sales Tax Department for the West Baton Rouge Fire Protection District No. 1 (the District). The Fire Sub - District No. 1 of West Baton Rouge Parish participates with other sub - districts in the District sales tax revenue, receiving 9.2% of the District's distributable portion. Sales tax revenues comprise 95% of total revenue received by the Sub - District in 2012

**10. Risk Management**

The Sub-District purchases commercial insurance to protect against risk of loss in these areas: workers' compensation liability, general liability, law enforcement liability, public officials' errors and omissions, automobile liability and physical damage coverage and property fire coverage. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

**11. Agreement with the Town of Addis**

The Fire Sub - District entered into a local services agreement with the Town of Addis in January 1992 to provide fire protection within the Town. Under the terms of the agreement, the Town has agreed to do the following:

1. Lease two vehicles belonging to the Town and for the use of the Addis Volunteer Fire Department to the Sub - District, provided that the Sub - District shall bear the cost of insurance coverage on all vehicles, equipment and supplies, said coverage to be approved by the Town with certificates of such insurance to be presented.
2. Permit the Sub - District to use the Town's existing fire stations and Old Town Hall during the term of the agreement, provided that the Sub - District shall provide insurance coverage thereon at least equal to the amount which the Town has in force on the date of the agreement and further provided that the Town is listed as an additional insured on the policy. However, insurance costs as to Station #2 shall be fifty (50%) percent to Town and Fifty (50%) percent to Sub District.

**12. Cooperative Endeavor Agreement with Addis Volunteer Fire Department**

On July 6, 2011 the Fire Sub-District entered into a cooperative endeavor agreement with the Addis Volunteer Fire Department (AVD) to provide fire protection within the jurisdictional limits of the Sub-District #1. The Fire Sub-District agrees to provide all necessary equipment, supplies and vehicles including the cost of insurance coverage on vehicles and equipment, and as additional consideration, payment of a portion of the 2% Fire Insurance Rebate. During 2012 the District paid the Addis Volunteer Fire Department \$13,500.

Fire Protection Sub - District No. 1 of West Baton Rouge Parish  
Notes to the Financial Statements  
As of and for the year ended December 31, 2012

**13. Subsequent Events**

Subsequent events were evaluated through June 19, 2013 which is the date the financial statements were available to be issued. It was determined that there are no significant events requiring recognition or disclosure through this date.

In June 2013 the Louisiana Legislature passed Senate Bill (SB) 239 which amends R.S. 40:1503 (A), (B), E(1) and (F); repeals R.S. 40:1503 (G) through (L) and generally grants West Baton Rouge Parish Council authority to provide for fire protection for the parish and to be enacted by the Council by July 1, 2014.

**Required Supplementary Information**  
**Budgetary Comparison Schedules**

Fire Sub-District No. 1 of West Baton Rouge Parish  
 Budgetary Comparison Schedule  
 General Fund  
 For the Year Ended December 31, 2012 with summarized comparative totals for 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>	<u>2011</u>
	<u>Original</u>	<u>Final</u>	<u>Budgetary</u>	<u>Final Budget</u>	<u>Actual</u>
			<u>Basis</u>	<u>Over (Under)</u>	<u>Amounts</u>
<b>REVENUES</b>					
Sales tax	\$ 230,000	\$ 230,000	\$ 253,224	\$ 23,224	\$ 230,604
Fire insurance rebate	12,500	12,500	13,321	821	13,449
Miscellaneous	1,500	1,500	1,367	(133)	1,400
Investment income	1,500	1,500	220	(1,280)	615
Total revenues	245,500	245,500	268,132	22,632	246,068
<b>EXPENDITURES</b>					
Public safety - Fire Protection Services					
Salaries	86,500	86,500	84,667	1,833	81,006
Medicare	1,500	1,500	1,315	185	1,262
Social security	3,500	3,500	2,537	963	2,107
Unemployment	200	200	167	33	165
Health insurance	6,900	6,900	7,144	(244)	5,670
Retirement expense	9,000	9,000	2,756	6,244	10,338
Utilities - Station #1	1,800	1,800	954	846	986
Utilities - Station #2	1,800	1,800	902	898	1,720
Utilities - Station #3	7,600	7,600	5,804	1,796	7,059
Telephone	1,500	1,500	1,546	(46)	1,490
Computer cable	500	500	678	(178)	582
Expense allowance	3,500	3,500	88	3,412	54
Gas and oil	7,000	7,000	7,554	(554)	5,574
Office supplies	1,000	1,000	222	778	1,061
Postage	100	100	76	24	76
Printing	200	200	0	200	242
Repairs to equipment	8,500	8,500	16,319	(7,819)	32,505
Repairs to buildings	1,000	1,000	1,796	(796)	0
Dues and subscriptions	500	500	196	304	195
Tools and supplies	7,500	7,500	10,231	(2,731)	12,043
Miscellaneous	3,500	3,500	742	2,758	7,477
Insurance and bonds	25,000	25,000	30,967	(5,967)	23,847
Uniforms	3,000	3,000	976	2,025	2,730
Training	1,000	1,000	1,650	(650)	125
Computer upgrade	500	500	0	500	0
First aid supplies	2,000	2,000	350	1,650	1,989
Legal services	3,500	3,500	1,913	1,587	9,162
Accounting services	5,000	5,000	5,000	0	5,000
Official journal	2,000	2,000	1,719	281	2,173
Jackson uniform	100	100	0	100	0
Computer maintenance	500	500	0	500	0
Equipment maintenance	2,500	2,500	288	2,212	300
Radio repairs	200	200	0	200	0
Capital outlay - Equipment purchases	5,600	5,600	19,552	(13,952)	627,426
Debt Service - Lease payment on truck	40,000	40,000	39,693	307	22,842
Special Fund	1,000	1,000	13,500	(12,500)	13,322
Total expenditures	245,500	245,500	261,299	(15,799)	880,527

Fire Sub-District No. 1 of West Baton Rouge Parish  
 Budgetary Comparison Schedule  
 General Fund  
 For the Year Ended December 31, 2012 with summarized comparative totals for 2011

	<u>Budgeted Amounts</u>		Actual	Variance with	2011
	<u>Original</u>	<u>Final</u>	Budgetary	Final Budget	Actual
			Basis	Over (Under)	Amounts
Excess (Deficiency) of Revenues					
Over Expenditures	0	0	6,833	6,833	(634,459)
<b>OTHER FINANCING SOURCES (USES):</b>					
Capital Lease Financing	0	0	0	0	326,687
Total Other Financing Sources (Uses)	0	0	0	0	326,687
Excess (Deficiency) of Revenues and Other					
Financing Sources over Expenditures					
and Other Financing (Uses)	0	0	6,833	6,833	(307,772)
<b>Fund Balance, Beginning</b>	199,062	199,062	199,062	0	506,834
<b>Fund Balance, Ending</b>	\$ 199,062	\$ 199,062	\$ 205,895	\$ 6,833	\$ 199,062

**Notes to Budgetary Comparison Schedule::**

1. The Original and Final Budget are prepared using the Modified Accrual Basis of Accounting (GAAP)
2. The Budget was not amended.
3. Actual Revenue exceeded budgeted revenue by \$22,632 or 9.22%.
4. Actual Expenditures exceeded budgeted expenditures by \$15,799 or 6.44%

***Information Required by Government Auditing Standards***

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

To the Board of Commissioners of  
Fire Protection Sub-District No. 1 of West Baton Rouge Parish  
Addis, Louisiana

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of the **FIRE PROTECTION SUB-DISTRICT NO. OF WEST BATON ROUGE PARISH, LOUISIANA (the "Sub-District")**, as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued my report thereon dated June 19, 2013.

***Internal Control Over Financial Reporting***

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

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employee, 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.

My consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified. I did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses that I consider to be significant deficiencies described as Item 2012-1.

### ***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the Sub-District's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed instances of noncompliance that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and responses as item 2012-1.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Sub-District'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 Sub-District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

***W. Kathleen Beard, CPA***

June 19, 2013

Fire Protection Sub-District No. 1 of West Baton Rouge Parish

Current Year Findings and Responses  
For the Years Ended December 31, 2012

**Summary of Audit Results**

***Financial Statements***

Type of auditor's report issued: Unqualified

*Report on Internal Control and Compliance Material to the Financial Statements*

Material Weaknesses  Yes  No

Significant deficiencies  Yes  No

Noncompliance Material to the Financial Statements  Yes  No

***Federal Awards***

N/A – Federal awards below \$500,000 thresh hold required by OMB Circular A- 133

***Management Letter***

No management letter was issued.

**Section I - Internal Control and Compliance Material to the Financial Statements**

2011-3 Violation of LRS 39:1303 "Local Budget Act"

Condition: Actual expenditures exceeded budgeted expenditures by 6.44% in the General Fund, there was no revision to the original budget.

Criteria: As required by LRS 39:1303-1313 the Board is required to amend the budget when actual revenues are less than five percent under budget or expenditures are more than five percent over budget.

Cause: The cause of the finding was a failure to implement policies and procedures necessary to achieve adequate internal control related to budget adoption procedures and expenditure of funds.

Effect: Violation of LRS 39:1303 and lack of control over expenditure of funds.

Recommendation: Comply with all applicable aspects of the Local Budget Law.

Management's Response: Management agrees with the finding and has instituted a procedure to follow a calendar time-line to make sure the budget remains stable and in line with revenues and expenditures proposed.

Budget comparisons will be reviewed monthly and revisions will be made at half year or three-quarter year, or before or after those times, as need arises. This should ensure that the funds budgeted will remain "in line" and no further violations occur.

Fire Protection Sub-District No. 1 of West Baton Rouge Parish

Prior Year Findings and Responses  
For the Years Ended December 31, 2012

**Section I – Internal Control and Compliance Material to the Financial Statements**

No Findings