**West Baton Rouge Parish**
**Fire Protection District No.1**
**Port Allen, Louisiana**
**December 31, 2016**

**Table of Contents**


| | | |
|---|---|---|
| Independent Auditor's Report | Page | 3 |
| Basic Financial Statements | | |
| Government-wide Financial Statements | | |
| Statement of Net Position | Page | 7 |
| Statement of Activities | Page | 8 |
| Fund Financial Statements | | |
| Balance Sheet - Governmental Funds | Page | 9 |
| Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position | Page | 10 |
| Statement of Revenue, Expenditures and Changes in Fund Balances of Governmental Funds | Page | 11 |
| Reconciliation of the Statement of Revenue, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities | Page | 12 |
| Notes to Financial Statements | Page | 13 |
| Required Supplementary Information | | |
| Schedule of Funding Progress (Unaudited) | Page | 29 |
| Schedule of Proportionate Share of Net Pension Liability | Page | 30 |
| Schedule of Contributions | Page | 31 |
| Statement of Revenue, Expenditures and Changes in Fund Balance Budget and Actual (Non-GAAP Budgetary Basis)- General Fund | Page | 32 |
| Supplementary Information | | |
| Schedule of Compensation, Benefits, and Other Payments to Agency Head or Chief Executive Officer | Page | 34 |
| 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* | Page | 35 |
| Schedule of Findings | Page | 37 |
| Schedule of Prior Period Findings | Page | 38 |

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## Independent Auditor's Report

Board of Directors
West Baton Rouge Parish Fire Protection District No.1
Port Allen, Louisiana

**Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities and the major funds of West Baton Rouge Parish Fire Protection District No.1 as of and for the year ended December 31, 2016, 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.

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

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

**Auditor's Responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the 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 West Baton Rouge Parish Fire Protection District No. 1'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 West Baton Rouge Parish Fire Protection District No.1's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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



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**Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major funds of West Baton Rouge Parish Fire Protection District No.1, as of December 31, 2016, and the respective changes in financial position for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

**Other Matters**

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the schedule of funding progress, schedule of proportionate share of net pension liability, schedule of contributions, and budgetary comparison information 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. 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.

*Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the 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.

The schedule of compensation, benefits, and other payments to agency head or chief executive officer 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 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, 2017, 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 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 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, LLP

June 26, 2017

**Basic Financial Statements**

**West Baton Rouge Parish Fire Protection District No.1**
**Statement of Net Position**
**December 31, 2016**

| | Governmental Activities |
|---|---|
| **Assets** | |
| Cash and cash equivalents | $ 2,117,037 |
| Taxes receivable | 249,720 |
| Restricted cash | 92,436 |
| Due from governments | 2,355 |
| Capital assets | |
| Non-depreciable | 396,301 |
| Depreciable, net | 5,090,866 |
| Total assets | 7,948,715 |
| **Deferred Outflows of Resources** | |
| Resources related to pensions | 2,653,386 |
| **Liabilities** | |
| Accounts payable | 53,233 |
| Accrued liabilities | 124,003 |
| Non-current liabilities | |
| Due in one year | 73,000 |
| Due in more than one year | 2,515,505 |
| Net pension liability | 3,219,126 |
| Total liabilities | 5,984,867 |
| **Deferred Inflows of Resources** | |
| Resources related to pensions | 217,066 |
| **Net Position** | |
| Net investment in capital assets | 2,952,167 |
| Restricted for: | |
| Debt service | 46,576 |
| Unrestricted | 1,401,425 |
| Total net position | $ 4,400,168 |

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

**West Baton Rouge Parish Fire Protection District No.1**
**Statement of Activities**
**For the Year Ended December 31, 2016**

| | | Program Revenue | | |
|---|---|---|---|---|
| | Expenses | Charges for Service | Operating Grants and Contributions | Total Governmental Activities |
| **Function/Program** | | | | |
| Primary Government | | | | |
| Governmental activities | | | | |
| Public safety | $ 3,871,128 | $ - | $ 408,453 | $ (3,462,675) |
| Interest and fiscal charges on long-term debt | 424,592 | - | - | (424,592) |
| Total primary government | $ 4,295,720 | $ - | $ 408,453 | $ (3,887,267) |
| **General Revenue** | | | | |
| Taxes | | | | |
| Sales and use | | | | $ 2,997,282 |
| Fire Insurance Premium | | | | 102,523 |
| Interest | | | | 7,835 |
| Miscellaneous | | | | 36,765 |
| Total general revenue | | | | 3,144,405 |
| Change in net position | | | | (742,862) |
| **Net Position** | | | | |
| Beginning of year | | | | 5,143,030 |
| End of year | | | | $ 4,400,168 |

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, 2016**

| | General Fund | Debt Service Fund | Total |
|---|---|---|---|
| **Assets** | | | |
| Cash and cash equivalents | $ 2,117,037 | $ - | $ 2,117,037 |
| Taxes receivable | 249,720 | - | 249,720 |
| Restricted cash and cash equivalents | - | 92,436 | 92,436 |
| Due from governments | 2,355 | - | 2,355 |
| Total assets | $ 2,369,112 | $ 92,436 | $ 2,461,548 |
| **Liabilities** | | | |
| Accounts payable | $ 53,233 | $ - | $ 53,233 |
| Accrued liabilties | 78,143 | 45,860 | 124,003 |
| Total liabilities | 131,376 | 45,860 | 177,236 |
| **Fund Balances** | | | |
| Restricted fund balance | - | 46,576 | 46,576 |
| Unassigned fund balance | 2,237,736 | - | 2,237,736 |
| Total fund balances | 2,237,736 | 46,576 | 2,284,312 |
| Total liabilties and fund balances | $ 2,369,112 | $ 92,436 | $ 2,461,548 |

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, 2016**

| | | |
|---|---|---|
| Fund balances - total governmental funds | | $ 2,284,312 |
| Amounts reported for governmental activities in the statement of net position are different because: | | |
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds: | | |
| Governmental capital assets | $ 13,283,775 | |
| Less accumulated depreciation | (7,796,608) | 5,487,167 |
| Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the current period and, therefore, are not reported in the governmental funds: | | |
| Bonds payable | (2,535,000) | |
| Net other post-employment benefit obligation | (53,505) | (2,588,505) |
| Pension liability, deferred inflows and deferred outflows of resources | | |
| Net pension liability | (3,219,126) | |
| Net deferred amounts related to pension liability | 2,436,320 | (782,806) |
| Net position of governmental activities | | $ 4,400,168 |

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**
**For the Year Ended December 31, 2016**

| | General Fund | Debt Service Fund | Total |
|---|---|---|---|
| **Revenue** | | | |
| Sales Tax | $ 2,997,282 | $ - | $ 2,997,282 |
| Fire Insurance Premium | 102,523 | - | 102,523 |
| Intergovernmental | 408,453 | - | 408,453 |
| Interest | 7,815 | 20 | 7,835 |
| Miscellaneous | 36,765 | - | 36,765 |
| Total revenue | 3,552,838 | 20 | 3,552,858 |
| **Expenditures** | | | |
| Current | | | |
| Public safety | 2,989,057 | - | 2,989,057 |
| Capital outlay | 319,952 | - | 319,952 |
| Debt service | | | |
| Principal | - | 2,265,000 | 2,265,000 |
| Interest and other charges | - | 424,592 | 424,592 |
| Total expenditures | 3,309,009 | 2,689,592 | 5,998,601 |
| **Excess (Deficiency) of Revenues over (under) Expenditures** | 243,829 | (2,689,572) | (2,445,743) |
| **Other Financial Sources (Uses)** | | | |
| Bond proceeds | - | 2,410,000 | 2,410,000 |
| Operating transfers in | - | 106,123 | 106,123 |
| Operating transfers out | (106,123) | - | (106,123) |
| Total other financing sources (uses) | (106,123) | 2,516,123 | 2,410,000 |
| **Net Changes in Fund Balance** | 137,706 | (173,449) | (35,743) |
| **Fund Balances** | | | |
| Beginning of year | 2,100,030 | 220,025 | 2,320,055 |
| End of year | $ 2,237,736 | $ 46,576 | $ 2,284,312 |

**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, 2016**

| | | |
|---|---|---|
| Net change in fund balances - total governmental funds | | $ (35,743) |
| 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 costs of those assets are allocated over their estimated useful lives and reported as depreciation expense: | | |
| Capital outlay | $ 319,952 | |
| Depreciation expense | (418,500) | (98,548) |
| Change in net pension liability and deferred inflows/outflows of resources | | (438,139) |
| The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized on the statement of activities: | | |
| Other post-employment benefit | (25,432) | |
| Bond Proceeds | (2,410,000) | |
| Principal payments | 2,265,000 | (170,432) |
| Change in net position of governmental activities | | $ (742,862) |

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

## Note 1-Summary of Significant Accounting Policies

West Baton Rouge Parish Fire Protection District No.1 ("Fire District") was created by the West Baton Rouge Fire District, as provided by Louisiana Revised Statute 40:1503. The Fire District is a separate government body that is governed by a board that consists of the current sitting council members. The Fire District comprises all of West Baton Rouge Parish and maintains six fire stations. The Fire District serves approximately 25,000 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 governmental 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 West Baton Rouge Parish Council.

The accompanying financial statements present information only on the funds maintained by the Fire District and do not present information on the Parish 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 on all of the non-fiduciary activities of the Fire District 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 the Governmental Accounting Standards Board.

*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.

**Note 1-Summary of Significant Accounting Policies** (Continued)

B. Basis of Presentation (Continued)

The various funds of the Fire District are all classified as governmental. The emphasis on fund financial statements is on major governmental funds. A fund is considered major if it is the primary operating fund of the Fire District or meets the following criteria:

a. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least ten percent of the corresponding total for all funds of that category or type; and

b. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least five percent of the corresponding total for all governmental and enterprise funds combined.

*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 2008 Louisiana Local Government Environmental Facilities and Community Development Authority Revenue Bonds and the Revenue Refunding Bonds, Series 2016.

Transactions between funds are representative of lending/borrowing arrangements outstanding at the end of the fiscal year and 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.

**Note 1-Summary of Significant Accounting Policies** (Continued)

C. Basis of Accounting/Measurement Focus (Continued)

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 their 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. Most governmental miscellaneous revenues are recorded as earned since they are measurable and available. The Fire District defines "available" as expected to be received within sixty days of the end of the fiscal year.

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. 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.

**Note 1-Summary of Significant Accounting Policies** (Continued)

D. Budget and Budgetary Accounting (Continued)

- 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.

E. 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.

F. Restricted Cash

The debt service fund is legally restricted as to purpose. These assets have been classified as restricted cash and cash equivalents on the Statement of Net Position since the use of these funds is limited by the applicable bond resolution.

G. Receivables and Payables

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

H. 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 |
| Equipment | 5-10 years |

**Note 1-Summary of Significant Accounting Policies** (Continued)

I. Compensated Absences

Firemen of the District are entitled to full pay during sickness or incapacity not brought about by their own negligence or culpable indiscretion for a period of not less than 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 liability for accumulated vacation leave was $4,521 as of December 31, 2016, which is not material to the financial statements.

J. 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 consist 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, 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.

K. Fund Balance

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

- *Non-spendable* - includes amounts that cannot be spent because they are either not spendable in form or 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 who has the highest level of decision making authority. Commitments may be modified or rescinded only through actions of the Fire District.
- *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.

**Note 1-Summary of Significant Accounting Policies** (Continued)

K. 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 specific purpose (such as the purchase of capital assets, construction, debt service, or for other purposes).

L. Deferred Outflows/Inflows of Resources

The statement of financial position will often report a separate section for deferred outflows and (or) deferred inflows of financial resources. *Deferred outflows* of resources represents 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 represents an acquisition of net position that applies to future period(s) and so will not be recognized as an inflow of resources until that time. The Fire District's deferred outflows/inflows of resources are related to its pension liability.

M. 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.

N. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles of 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 Interest-bearing Deposits**

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. At December 31, 2016, the Fire District had cash and interest-bearing deposits (book balances) and bank balances totaling $2,209,473.

**Note 2-Cash and Interest-bearing Deposits** (Continued)

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. As of December 31, 2016, 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.

**Note 3-Capital Assets**

Capital asset activity for the year ended December 31, 2016 was as follows:

| | Balance December 31, 2015 | Additions | Adjustments and Deletions | Balance December 31, 2016 |
|---|---|---|---|---|
| Capital assets not being depreciated: | | | | |
| Land | $ 396,301 | $ – | $ – | $ 396,301 |
| Construction in progress | 258,591 | – | (258,591) | – |
| Total capital assets not being depreciated | 654,892 | – | (258,591) | 396,301 |
| Capital assets being depreciated: | | | | |
| Buildings and improvements | 4,381,359 | 84,792 | 258,591 | 4,724,742 |
| Equipment | 7,927,572 | 235,160 | – | 8,162,732 |
| Total capital assets being depreciated | 12,308,931 | 319,952 | 258,591 | 12,887,474 |
| Less accumulated depreciation for: | | | | |
| Buildings and improvements | (1,189,636) | (119,034) | – | (1,308,670) |
| Equipment | (6,188,472) | (299,466) | – | (6,487,938) |
| Total accumulated depreciation | (7,378,108) | (418,500) | – | (7,796,608) |
| Total capital assets being depreciated, net | 4,930,823 | (98,548) | 258,591 | 5,090,866 |
| Total capital assets | $ 5,585,715 | $ (98,548) | $ – | $ 5,487,167 |

**Note 4-Deferred Compensation Plan**

The Fire District does not offer a deferred compensation plan to its employees.

**Note 5-Pension Plan**

Plan Description

The Firefighters' Retirement System ("the System") is the administrator of a cost-sharing multiple-employer plan. Membership in the System is a condition of employment for any full-time firefighters who earn at least $375 per month and are employed by any municipality, parish, or fire protection district of the State of Louisiana in addition to employees of the Firefighters' Retirement System. The System provides retirement benefits for their 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.

## Note 5-Pension Plan

Plan Description (Continued)

Benefit provisions are authorized within Act 434 of 1979 and amended by LRS 11:2251-11:2272. 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 RS 11:2252 on and after January 1, 1980 shall become a member as a condition of employment.

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.

*Deferred Retirement Option Plan*

After completing 20 years of creditable service and 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.

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 deferred retirement option plan account. Upon termination of employment, a participant in the program shall receive, at his option, a lump-sum payment from the account or an annuity based on the deferred retirement option plan account balance in addition to his regular monthly benefit.

If employment is not terminated at the end of the 36 months, the participant resumes regular contributions to the System. No payments 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 benefit, 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 the DROP account.

**Note 5-Pension Plan** (Continued)

Funding Policy

*Contributions*

Employer contributions are actuarially determined each year. For the year ended June 30, 2016 employer and employee contributions for members above the poverty line were 27.25% and 10.00%, respectively. The employer and employee contribution rates for those members below the poverty line were 29.25% and 8.00%, respectively. The Fire District's contributions to the plan for the year ended December 31, 2016 was $292,489.

*Non-employer contributions*

The System also receives insurance premium tax monies as additional employer contributions. The tax is considered support from a non-contributing entity and appropriated by the legislature each year based on an actuarial study. Non-employer contributions are recognized as revenue during the year ended June 30, 2016 and were excluded from pension expense.

At December 31, 2016, the Fire District reported a liability of $3,219,126 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2016 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 the combined (employer and employee) contributions to the System during the year ended June 30, 2016 as compared to the total of all combined contributions to the System during the fiscal year ended June 30, 2016.

At December 31, 2016, 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 | $ – | $ 127,426 |
| Changes in assumptions | 27,743 | 897 |
| Net difference between projected and actual earnings on pension plan investments | 773,665 | – |
| Changes in proportion and differences between Fire District contributions and proportionate share of contributions | 1,720,173 | 88,743 |
| Fire District contributions subsequent to measurement date | 131,805 | – |
| | $ 2,653,386 | $ 217,066 |

**Note 5-Pension Plan** (Continued)

Funding Policy (Continued)

The Fire District reported a total of $131,805 as deferred outflows of resources related to pensions resulting from the Fire District's contributions subsequent to the measurement date which will be recognized as reduction of the Net Pension Liability in the year ended December 31, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| Year Ended December 31 | FRS |
|---|---|
| 2017 | $ 508,866 |
| 2018 | 508,866 |
| 2019 | 557,462 |
| 2020 | 449,791 |
| 2021 | 285,302 |
| Thereafter | (5,772) |

A summary of the actuarial methods and assumptions used in determining the total pension liability as of December 31, 2016 is as follows for the System:

| | |
|---|---|
| Valuation Date | June 30, 2016 |
| Actuarial Cost Method | Entry age normal cost |
| Actuarial Assumptions: | |
| Expected Remaining Service Lives | 7 years |
| Investment Rate of Return | 7.50% per annum (net of fees) |
| Inflation Rate | 2.875% per annum |
| Employee, Annuitant and Beneficiary Mortality | RP-2000 Combined Healthy with Blue Collar Adjustment Sex Distinct Tables projected to 2031 using Scale AA. |
| Disabled Annuitant Mortality | RP-2000 Disabled Lives Mortality Table set back 5 years for males and set back 3 years for females. |
| Salary Increases | Vary from 15.0% in the first two years of service to 4.75% after 25 years. |
| Cost of Living Adjustments | Only those previously granted. |

**Note 5-Pension Plan** (Continued)

Funding Policy (Continued)

The mortality rate assumption used was set based upon an experience study performed on plan data for the period July 1, 2009 through June 30, 2014. 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 for a period equivalent to the estimated duration of the System's liabilities. Annuity values calculated based on this mortality were compared to those produced by using a set-back of standard tables. The result of the procedure indicated that the tables used would produce liability values approximating the appropriate generational mortality tables.

The estimated long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The long term expected nominal rate of return was 8.34% as of June 30, 2016. Best estimates of real rates of return for each major asset class included in the System's target asset allocation as of June 30, 2016 are summarized in the following table:

| Asset Class | Long-Term Target Asset Allocation | Expected Portfolio Real Rate of Return |
|---|---|---|
| Fixed income | 24% | 1.85% |
| Equity | 58% | 6.77% |
| Alternatives | 8% | 6.67% |
| Other | 10% | 4.30% |
| Totals | 100% | 5.34% |
| Inflation | | 3.00% |
| Expected arithmetic nominal return | | 8.34% |

The discount rate used to measure the total pension liability was 7.50%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by Public Retirement Systems' Actuarial Committee taking into consideration the recommendation of the System's actuary. Based on those 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.

**Note 5-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 7.50%, 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 (6.50%) or one percentage point higher (8.50%) than the current rate:

| | Changes in Discount Rate | | |
|---|---|---|---|
| | 1% Decrease (6.50%) | Current Discount Rate (7.50%) | 1% Increase (8.50%) |
| Fire District's proportionate share of net pension liability | $4,385,799 | $3,219,126 | $2,237,975 |

Pension Plan Fiduciary Net Position:

Firefighters' Retirement System issued a stand-alone audit report on its financial statements for the year ended June 30, 2016. Access to the audit report can be found on the System's website: www.lafirefighterset.com or on the Office of the Louisiana Legislative Auditor's official website: www.lla.state.la.us.

**Note 6-Other Post Employment Benefit Plan (OPEB)**

Plan Description

The Fire District is part of the Fire District's OPEB plan which is a single-employer defined benefit plan. The OPEB plan does not issue a stand-alone financial report. All classified employees of the Fire District, at their option, participate in the employee's group life and health insurance programs. 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 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 |

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 at age 70.

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 2016, 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.

**Note 6-Other Post Employment Benefit Plan (OPEB)** (Continued)

Funding Policy (Continued)

The employer contribution to the OPEB plan for 2016 totaled $2,641 or approximately .22% of gross payroll . The only contributions required by the retirees were their 50% match on the life insurance.

Annual OPEB Cost and Net OPEB Obligations

The Fire District's annual OPEB cost (expense) was calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over the actuarial period. The ARC was calculated as part of the January 1, 2015 actuarial valuation performed by an outside consultant.

The following table shows the Fire District's annual OPEB cost for the year:

| | Governmental Activities |
|---|---|
| Annual required contribution (ARC) | $ 28,073 |
| Interest on net OPEB obligation | – |
| ARC adjustment | – |
| Annual OPEB cost (expense) | 28,073 |
| Less contributions made | (2,641) |
| Increase in net OPEB obligation | 25,432 |
| Net OPEB obligation, beginning of year | 28,073 |
| Net OPEB obligation, end of year | $ 53,505 |

Trend information for the OPEB plan is as follows:

| Year Ending | Annual OPEB Cost | Percentage of Annual OPEB Cost Contributed | Net OPEB Obligation |
|---|---|---|---|
| 2015 | $28,073 | 0% | $28,073 |
| 2016 | $28,073 | 9% | 53,505 |

**Note 6-Other Post Employment Benefit Plan (OPEB)** (Continued)

Funding Status and Funding Progress

As of January 1, 2015, the most current actuarial valuation date, the plan was zero percent funded. The actuarial accrued liability for benefits was $12,404 with no valued assets, resulting in an unfunded accrued liability of the same amount. The covered payroll (annual payroll of active employees covered by the plan) was $1,036,487, and the ratio of the UAAL to the covered payroll was one percent. The actuarial valuation of the plan is ongoing and is based on assumptions and probability of future events, such as employment, mortality and cost of all employee benefits (health insurance, etc.). The determination of the funding status of the plan is ongoing, and the annual required contributions by the employer are subject to continual revision. The results of the actual figures are compared with past expectations to meet future estimates. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the plan as understood by the employer and plan members. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with long-term perspective of the calculations.

The projected unit cost was used for January 1, 2015 actuarial valuation. Because the Fire District currently finances OPEB using a pay-as-you-go approach, the discount rate is based on the historical and expected investments that are expected to be used in financing the payment of benefits. The actuarial assumptions included a 4.0% investment rate of return. Life expectations were based on the RP- 2000 Combined Table M/F Projection AA 2015.

The Plan assumes that 100% of all employees and their dependents who are eligible for retiree benefits participate in the post-retirement benefits plan. The annual retirement probabilities were developed from the Louisiana Parochial Employees' Retirement System Actuarial Valuations as of January 1, 2015. The assumed number of eligible spouses is based on the current census information; where spouse dates of birth were not provided, males were assumed to be 3 years older. It is assumed that all future pre-Medicare retirees enroll in the HDHP plan. Employees that are currently enrolled are assumed to choose the same health coverage level upon retirement. The Health CPI trend is assumed to increase at a rate of 3% each year.

The amortization method for the plan is a level percentage of projected payroll with thirty-year open amortization. The remaining amortization period at January 1, 2015 was 30 years.

## Note 7-Long-Term Debt

A. Changes in General Long-Term Debt Obligations

| | Bonds Payable | Net Other Post-Employment Benefit Obligation | Total |
|---|---|---|---|
| Long-term obligations payable at December 31, 2015 | $ 2,390,000 | $ 28,073 | $ 2,418,073 |
| Additions | 2,410,000 | 25,432 | 2,435,432 |
| Adjustments and deductions | (2,265,000) | – | (2,265,000 |
| Long-term obligations payable at December 31, 2016 | $ 2,535,000 | $ 53,505 | $ 2,588,505 |
| Due within one year | $ 73,000 | $ – | $ 73,000 |

B. Bonds and Obligations Payable

Bonds and obligations payable at December 31, 2016 are comprised of the following:

| | |
|---|---|
| $2,720,000 from Louisiana Local Environmental Facilities and Community Development Authority, due in annual installments of $60,000 to $65,000 through February, 2018. Interest is payable semiannually at 4.0%. The bonds are secured and payable from sales tax revenue. The bonds were paid down $2,410,000 with the issuance of the 2016 Revenue Refunding Bonds. | $ 125,000 |
| $2,410,000 Revenue Refunding Bonds (Series 2016) due in annual installments of $100,000 to $170,000 through February 2038. Interest is payable semiannually at 3.50%. The bonds are secured and payable from sales tax revenue. | 2,410,000 |
| Total bonds payable | $2,535,000 |

The following is a summary of principal and interest requirements:

| Year Ending December 31 | Principal Payments | Interest Payments | Total |
|---|---|---|---|
| 2017 | $ 73,000 | $ 96,379 | $ 169,379 |
| 2018 | 83,000 | 83,895 | 166,895 |
| 2019 | 87,000 | 83,265 | 170,265 |
| 2020 | 90,000 | 80,220 | 170,220 |
| 2021 | 93,000 | 77,070 | 170,070 |
| Thereafter | 2,109,000 | 703,570 | 2,812,570 |
| | $2,535,000 | $1,124,399 | $3,659,399 |

## Note 8-Litigation and Claims

As of December 31, 2016, there was no litigation pending against the West Baton Rouge Parish Fire District, nor was the Fire District aware of any unasserted claims. No claims were paid out or litigation costs incurred during the year ended December 31, 2016.

## Note 9-Risk Management

The Fire District is exposed to various risk 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, 2016 that exceeded the Fire District's coverage.

## Note 10-Compensation Paid to the Board

There was no compensation paid to the board during the year ended December 31, 2016.

## Note 11-Budgetary-GAAP Reporting Reconciliation

Budgetary comparisons presented in this report are on the budgetary basis. As discussed in Note 1-D, certain adjustments are necessary to compare actual data on a GAAP versus budget basis. Adjustments reconciling the excess (deficit) of revenues and other financing sources over (under) expenditures and other uses at year end of the GAAP basis to the budgetary basis are as follows:

| | General Fund |
|---|---|
| Net change in fund balance (Budgetary Basis) | $ 154,958 |
| Adjustments-to adjust for accruals | (17,252) |
| Net change in fund balance (GAAP basis) | $ 137,706 |

## Note 12-Subsequent Events

The Fire District evaluated all subsequent events through June 26, 2017, 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.

**West Baton Rouge Parish Fire Protection District No.1**
**Schedule of Funding Progress (Unaudited)**
**December 31, 2016**

| Year Ended | Actuarial Valuation Date | Actuarial Value of Assets (a) | Actuarial Accrued Liability (b) | Unfunded (AAL) (UAAL) (b-a) | Funded Ratio (a/b) | Annual Covered Payroll | UAAL as a Percentage of Covered Payroll (b/c) |
|---|---|---|---|---|---|---|---|
| 12/31/16* | 1/1/2015 | $ – | $12,404 | $12,404 | 0.00% | $1,036,487 | 1.0% |
| 12/31/15* | 1/1/2015 | – | 12,404 | 12,404 | 0.00% | 1,546,314 | 0.8% |

* 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**
**As of and for the Year Ended December 31, 2016***

| | 2016 | 2015 |
|---|---|---|
| Proportion of net pension liability | 0.492% | 0.494% |
| Proportionate share of net pension liability | $ 3,219,126 | $ 2,664,884 |
| Covered employees' payroll | $ 1,036,487 | $ 1,546,314 |
| Proportionate share of net pension liability as a percentage of covered employees' payroll | 310.58% | 172.34% |
| Plan fiduciary net position as a percentage of total pension liability | 68.16% | 72.45% |

* 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**
**As of and for the Year Ended December 31, 2016 ***

| | 2016 | 2015 |
|---|---|---|
| Contractually required contribution | $ 296,881 | $ 452,297 |
| Contributions in relation to contractually required contribution | $ 296,881 | $ 452,297 |
| Contribution deficiency (excess) | $ - | $ - |
| Covered employees' payroll | $ 1,036,487 | $ 1,546,314 |
| Contribution as a percentage of covered employees' payroll | 28.64% | 29.25% |

* Schedule is intended to show information for 10 years. Additional years will be displayed as they become avai

**West Baton Rouge Parish Fire Protection District No.1**
**General Fund**
**Statement of Revenue, Expenditures and Change in Fund Balance**
**Budget and Actual (Non-GAAP Budgetary Basis)**
**Year Ended December 31, 2016**

| | Budgeted Amounts | | Actual (Budgetary Basis) | Final Variance Favorable (Unfavorable) |
|---|---|---|---|---|
| | Original | Final | | |
| **Revenue** | | | | |
| Sales and Use | $ 2,728,380 | $ 2,980,380 | $ 2,980,073 | $ (307) |
| Fire Insurance Premium | 120,000 | 102,500 | 102,523 | 23 |
| Intergovernmental | - | 406,098 | 406,098 | - |
| Interest | 500 | 500 | 7,815 | 7,315 |
| Miscellaneous | 5,000 | 5,000 | 36,765 | 31,765 |
| Total revenue | 2,853,880 | 3,494,478 | 3,533,274 | 38,796 |
| **Expenditures** | | | | |
| Current | | | | |
| Public safety | 2,582,055 | 2,697,255 | 2,733,285 | (36,030) |
| Capital outlay | 105,000 | 560,000 | 538,908 | 21,092 |
| Debt service | | | | |
| Principal | - | - | - | - |
| Interest and other charges | - | - | - | - |
| Total expenditures | 2,687,055 | 3,257,255 | 3,272,193 | (14,938) |
| **Excess (Deficiency) of Revenues over (under) Expenditures** | 166,825 | 237,223 | 261,081 | 23,858 |
| **Other Financing Sources (Uses)** | | | | |
| Operating transfers in | - | - | - | - |
| Operating transfers out | (185,000) | (125,000) | (106,123) | 18,877 |
| Total other financing sources (uses) | (185,000) | (125,000) | (106,123) | 18,877 |
| **Net Changes in Fund Balance** | (18,175) | 112,223 | 154,958 | 42,735 |
| **Fund Balances** | | | | |
| Beginning of year | 2,100,030 | 2,100,030 | 2,100,030 | - |
| End of year | $ 2,081,855 | $ 2,212,253 | $ 2,254,988 | $ 42,735 |

**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, 2016**

**Agency Head Name: Kenny Hunt, Fire Chief**

| Purpose | Amount |
|---|---|
| Salary | $78,048 |
| Benefits - insurance | 13,785 |
| Benefits - retirement | 20,481 |
| Car allowance | 0 |
| Vehicle provided by government | 0 |
| Per diem | 0 |
| Reimbursements | 0 |
| Travel | 0 |
| Registration fees | 500 |
| Conference travel | 413 |
| Continuing professional education fees | 0 |
| Housing | 0 |
| Unvouchered expenses | 0 |
| Special meals | 0 |

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

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**Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards***

To the Board of Directors
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 the major funds of West Baton Rouge Parish Fire Protection District No.1 as of and for the year ended December 31, 2016, 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, 2017.

**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) to determine the 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 may exist that have not been identified.



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**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 of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The 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 West Baton Rouge Parish Fire Protection District No.1'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 West Baton Rouge Parish Fire Protection District No. 1's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Hawthorn, Waymouth & Carroll, LLP

June 26, 2017

**West Baton Rouge Parish Fire Protection District No. 1**
**Schedule of Findings**
**For the Year Ended December 31, 2016**

**Findings - Financial Statement Audit**

None.

**West Baton Rouge Parish Fire Protection District No. 1**
**Schedule of Prior Period Findings**
**Year Ended December 31, 2016**

**Findings - Financial Statement Audit**

None.