

**West Baton Rouge Parish Fire Protection District No. 1  
A Component Unit of the  
West Baton Rouge Parish Council  
Port Allen, Louisiana  
Financial Report  
December 31, 2020**

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

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

## **Independent Auditor's Report**

To the Fire Chief and Board of Commissioners of  
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 each major fund of West Baton Rouge Parish Fire Protection District No. 1, a component unit of West Baton Rouge Parish Council, as of and for the year ended December 31, 2020, 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 the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

## **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 each major fund of West Baton Rouge Parish Fire Protection District No. 1, as of December 31, 2020, 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 changes in total OPEB liability and related ratios, schedule of proportionate share of net pension liability, schedule of contributions, and statement of revenue, expenditures and change in fund balance budget and actual (non-GAAP budgetary basis) – general fund on pages 29 - 32 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 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 30, 2021, on our consideration of West Baton Rouge Parish Fire Protection District No. 1's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of West Baton Rouge Parish Fire Protection District No. 1's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering West Baton Rouge Parish Fire Protection District No. 1's internal control over financial reporting and compliance.

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

June 30, 2021

**West Baton Rouge Parish Fire Protection District No. 1**  
**Statement of Net Position**  
**December 31, 2020**

|   | <u><b>Governmental<br/>Activities</b></u> |
|---|---|
| <b>Assets</b>   |   |
| Cash and cash equivalents                                   | \$ 2,352,735                              |
| Taxes receivable  | 272,052                                   |
| Prepaid insurance   | 190,783                                   |
| Restricted cash and cash equivalents                        | 85,408                                    |
| Capital assets  |   |
| Non-depreciable   | 396,301                                   |
| Depreciable, net  | <u>4,776,175</u>                          |
| Total assets  | <u>8,073,454</u>                          |
| <b>Deferred Outflows of Resources</b>                       |   |
| Resources related to net pension liability                  | 1,102,216                                 |
| Resources related to other postemployment benefit liability | <u>918,904</u>                            |
| Total deferred outflows of resources                        | <u>2,021,120</u>                          |
| <b>Liabilities</b>  |   |
| Accounts payable  | 42,733                                    |
| Accrued liabilities   | 59,868                                    |
| Non-current liabilities                                     |   |
| Due within one year   | 93,000                                    |
| Due in more than one year                                   | <u>7,079,058</u>                          |
| Total liabilities   | <u>7,274,659</u>                          |
| <b>Deferred Inflows of Resources</b>                        |   |
| Resources related to net pension liability                  | 467,093                                   |
| Resources related to other postemployment benefit liability | <u>256,519</u>                            |
| Total deferred inflows of resources                         | <u>723,612</u>                            |
| <b>Net Position</b>   |   |
| Net investment in capital assets                            | 2,970,476                                 |
| Restricted for:   |   |
| Debt service  | 53,295                                    |
| Unrestricted  | <u>(927,468)</u>                          |
| Total net position  | <u>\$ 2,096,303</u>                       |

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

**West Baton Rouge Parish Fire Protection District No. 1**  
**Statement of Activities**  
**Year Ended December 31, 2020**

|  |                                 | <b>Program Revenue</b>                            |   |                |
|--|---------------------------------|---|---|----------------|
| <b>Expenses</b>                                  | <b>Charges<br/>for Services</b> | <b>Operating<br/>Grants and<br/>Contributions</b> | <b>Net (Expense)<br/>Revenue<br/>and Change in<br/>Net Position</b> |                |
| <b>Function/Program</b>                          |                                 |   |   |                |
| Governmental activities                          |                                 |   |   |                |
| Public safety                                    | \$ 4,020,994                    | \$ -  | \$ -  | \$ (4,020,994) |
| Interest and fiscal charges<br>on long-term debt | 78,908                          | -   | -   | (78,908)       |
| Total governmental activities                    | \$ 4,099,902                    | \$ -  | \$ -  | (4,099,902)    |
| <b>General Revenue</b>                           |                                 |   |   |                |
| Taxes - sales and use                            |                                 |   | 3,460,059   |                |
| Fire insurance premium                           |                                 |   | 105,692   |                |
| Interest   |                                 |   | 31,264  |                |
| Miscellaneous                                    |                                 |   | 138,113   |                |
| Total general revenue                            |                                 |   | 3,735,128   |                |
| <b>Change in net position</b>                    |                                 |   |   | (364,774)      |
| <b>Net Position</b>                              |                                 |   |   |                |
| Beginning of year                                |                                 |   | 2,461,077   |                |
| End of year                                      |                                 |   | \$ 2,096,303  |                |

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, 2020**

|                                      | <b>General<br/>Fund</b> | <b>Debt Service<br/>Fund</b> | <b>Total</b> |
|--------------------------------------|-------------------------|------------------------------|--------------|
| <b>Assets</b>                        |                         |                              |              |
| Cash and cash equivalents            | \$ 2,352,735            | \$ -                         | \$ 2,352,735 |
| Taxes receivable                     | 272,052                 | -                            | 272,052      |
| Prepaid insurance                    | 190,783                 | -                            | 190,783      |
| Restricted cash and cash equivalents | -                       | 85,408                       | 85,408       |
| Total assets                         | \$ 2,815,570            | \$ 85,408                    | \$ 2,900,978 |
| <b>Liabilities</b>                   |                         |                              |              |
| Accounts payable                     | \$ 42,733               | \$ -                         | \$ 42,733    |
| Accrued liabilities                  | 27,755                  | 32,113                       | 59,868       |
| Total liabilities                    | 70,488                  | 32,113                       | 102,601      |
| <b>Fund Balances</b>                 |                         |                              |              |
| Nonspendable                         | 190,783                 | -                            | 190,783      |
| Restricted                           | -                       | 53,295                       | 53,295       |
| Unassigned                           | 2,554,299               | -                            | 2,554,299    |
| Total fund balances                  | 2,745,082               | 53,295                       | 2,798,377    |
| Total liabilities and fund balances  | \$ 2,815,570            | \$ 85,408                    | \$ 2,900,978 |

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, 2020**

|   |                    |                     |
|---|--------------------|---------------------|
| Total fund balances - governmental funds  |                    | \$ 2,798,377        |
| Amounts reported for governmental activities in the statement of net position are different because:  |                    |                     |
| Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds:                    |                    |                     |
| Governmental capital assets   | \$ 14,637,047      |                     |
| Less accumulated depreciation   | <u>(9,464,571)</u> | 5,172,476           |
| Certain long-term assets and deferred outflows of resources are not available resources and, therefore, are not reported in the governmental funds:               |                    |                     |
| Deferred outflows of resources related to net pension liability   | 1,102,216          |                     |
| Deferred outflows of resources related to other postemployment benefit liability  | <u>918,904</u>     | 2,021,120           |
| Long-term liabilities and deferred inflows of resources are not due and payable in the current period and, therefore, are not reported in the governmental funds: |                    |                     |
| Bonds payable   | (2,202,000)        |                     |
| Net pension liability   | (2,978,284)        |                     |
| Other postemployment benefit liability  | (1,991,774)        |                     |
| Deferred inflows of resources related to net pension liability  | (467,093)          |                     |
| Deferred inflows of resources related to other postemployment benefit liability   | <u>(256,519)</u>   | <u>(7,895,670)</u>  |
| Total net position - governmental activities  |                    | <u>\$ 2,096,303</u> |

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

**West Baton Rouge Parish Fire Protection District No. 1**  
**Statement of Revenue, Expenditures and Changes in Fund Balances –**  
**Governmental Funds**  
**Year Ended December 31, 2020**

|   | <b>General<br/>Fund</b> | <b>Debt<br/>Service<br/>Fund</b> | <b>Total</b>        |
|---|-------------------------|----------------------------------|---------------------|
| <b>Revenue</b>  |                         |                                  |                     |
| Taxes - sales and use   | \$ 3,460,059            | \$ -                             | \$ 3,460,059        |
| Fire insurance premium  | 105,692                 | -                                | 105,692             |
| Interest  | 31,264                  | -                                | 31,264              |
| Miscellaneous   | <u>138,113</u>          | <u>-</u>                         | <u>138,113</u>      |
| Total revenue   | <u>3,735,128</u>        | <u>-</u>                         | <u>3,735,128</u>    |
| <b>Expenditures</b>   |                         |                                  |                     |
| Current   |                         |                                  |                     |
| Public safety   | 2,936,399               | -                                | 2,936,399           |
| Debt service  |                         |                                  |                     |
| Principal   | -                       | 90,000                           | 90,000              |
| Interest and other charges  | <u>-</u>                | <u>78,908</u>                    | <u>78,908</u>       |
| Total expenditures  | <u>2,936,399</u>        | <u>168,908</u>                   | <u>3,105,307</u>    |
| <b>Excess (Deficiency) of Revenue over<br/>(under) Expenditures</b> | <u>798,729</u>          | <u>(168,908)</u>                 | <u>629,821</u>      |
| <b>Other Financing Sources (Uses)</b>                               |                         |                                  |                     |
| Operating transfers in  | -                       | 170,220                          | 170,220             |
| Operating transfers out   | <u>(170,220)</u>        | <u>-</u>                         | <u>(170,220)</u>    |
| Total other financing sources (uses)                                | <u>(170,220)</u>        | <u>170,220</u>                   | <u>-</u>            |
| <b>Net Change in Fund Balances</b>                                  | <u>628,509</u>          | <u>1,312</u>                     | <u>629,821</u>      |
| <b>Fund Balances</b>  |                         |                                  |                     |
| Beginning of year   | <u>2,116,573</u>        | <u>51,983</u>                    | <u>2,168,556</u>    |
| End of year   | <u>\$ 2,745,082</u>     | <u>\$ 53,295</u>                 | <u>\$ 2,798,377</u> |

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

**West Baton Rouge Parish Fire Protection District No. 1**  
**Reconciliation of the Statement of Revenue, Expenditures and Changes**  
**in Fund Balances of Governmental Funds to the Statement of Activities**  
**Year Ended December 31, 2020**

Net change in fund balances - governmental funds \$ 629,821

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

Governmental funds report capital outlay as expenditures; however, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:

Depreciation expense (392,684)

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

Change in:

|  |             |           |
|--|-------------|-----------|
| Net pension liability  | \$ (57,436) |           |
| Other postemployment benefit liability   | 95,339      |           |
| Deferred outflows of resources related to net pension liability                  | (196,542)   |           |
| Deferred outflows of resources related to other postemployment benefit liability | (153,663)   |           |
| Deferred inflows of resources related to net pension liability                   | (123,090)   |           |
| Deferred inflows of resources related to other postemployment benefit liability  | (256,519)   |           |
| Bonds payable  | 90,000      | (601,911) |

Change in net position - governmental activities \$ (364,774)

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

**West Baton Rouge Parish Fire Protection District No. 1**  
**Notes to Financial Statements**  
**December 31, 2020**

**Note 1-Summary of Significant Accounting Policies**

West Baton Rouge Parish Fire Protection District No. 1 (“the Fire District”) was created by the West Baton Rouge Parish Council (“the Council”), as provided by Louisiana Revised Statute (R.S.) 40:1503. The Fire District is a separate government body that is governed by a board that consists of the current sitting members of the Council. The Fire District comprises all of West Baton Rouge Parish and maintains five fire stations. The Fire District serves approximately 26,500 residents of West Baton Rouge Parish.

The following is a summary of certain significant accounting policies:

A. Financial Reporting Entity

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

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

B. Basis of Presentation

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

*GOVERNMENT-WIDE FINANCIAL STATEMENTS*

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

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

*FUND FINANCIAL STATEMENTS*

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

**West Baton Rouge Parish Fire Protection District No. 1**  
**Notes to Financial Statements**  
**December 31, 2020**

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

B. Basis of Presentation (Continued)

*FUND FINANCIAL STATEMENTS* (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 and deferred outflows of resources, liabilities and deferred inflows of resources, 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 and deferred outflows of resources, liabilities and deferred inflows of resources, 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 Revenue Refunding Bonds, Series 2016.

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

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

C. Basis of Accounting/Measurement Focus

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

**West Baton Rouge Parish Fire Protection District No. 1**  
**Notes to Financial Statements**  
**December 31, 2020**

**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 the balance sheet. Operating statements of these funds present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net position. Governmental funds are maintained on the modified accrual basis of accounting.

Governmental fund revenues resulting from exchange transactions are recognized in the fiscal year in which the exchange takes place and meets the government's availability criteria (susceptible to accrual). Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. 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. Cash and Cash Equivalents

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

E. 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.

F. 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.

**West Baton Rouge Parish Fire Protection District No. 1**  
**Notes to Financial Statements**  
**December 31, 2020**

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

G. Capital Assets

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

H. Compensated Absences

Firemen of the Fire District are entitled to full pay during sickness or incapacity not brought about by their own negligence or culpable indiscretion for a period 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 unrecorded liability for accumulated vacation leave was \$17,740 as of December 31, 2020, which is not material to the financial statements.

I. Net Position

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

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

J. Fund Balance

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

- *Nonspendable* – includes amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to be maintained intact.
- *Restricted* – includes amounts restricted by external sources (creditors, laws of other governments, bondholders, etc.) or by constitutional provisions or enabling legislation.
- *Committed* – includes amounts that can only be used for specific purposes. Committed fund balance is reported pursuant to directives of the Fire District's Board who has the highest level of decision-making authority. Commitments may be modified or rescinded only through actions of the Fire District's Board.

**West Baton Rouge Parish Fire Protection District No. 1**  
**Notes to Financial Statements**  
**December 31, 2020**

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

J. Fund Balance (Continued)

- *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.

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

K. Deferred Outflows/Inflows of Resources

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

L. Long-Term Debt

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

M. Estimates

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

**West Baton Rouge Parish Fire Protection District No. 1**  
**Notes to Financial Statements**  
**December 31, 2020**

**Note 2-Cash and Cash Equivalents**

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

For deposits, custodial credit risk is the risk that, in the event of the failure of the counter-party, the Fire District will not be able to recover the value of its investment or collateral securities that are in possession of an outside party. At December 31, 2020, 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, 2020 was as follows:

|  | <b>Balance<br/>December 31,<br/>2019</b> | <b>Additions</b>    | <b>Adjustments<br/>and<br/>Deletions</b> | <b>Balance<br/>December 31,<br/>2020</b> |
|--|--|---------------------|--|--|
| Capital assets not being depreciated:          |  |                     |  |  |
| Land   | \$ 396,301                               | \$ -                | \$ -                                     | \$ 396,301                               |
| Capital assets being depreciated:              |  |                     |  |  |
| Buildings and improvements                     | 4,740,682                                | -                   | -  | 4,740,682                                |
| Equipment                                      | 9,500,064                                | -                   | -  | 9,500,064                                |
| Total capital assets being<br>depreciated      | 14,240,746                               | -                   | -  | 14,240,746                               |
| Less accumulated depreciation for:             |  |                     |  |  |
| Buildings and improvements                     | (1,674,366)                              | (121,418)           | -  | (1,795,784)                              |
| Equipment                                      | (7,397,521)                              | (271,266)           | -  | (7,668,787)                              |
| Total accumulated depreciation                 | (9,071,887)                              | (392,684)           | -  | (9,464,571)                              |
| Total capital assets being<br>depreciated, net | 5,168,859                                | (392,684)           | -  | 4,776,175                                |
| Capital assets, net                            | <u>\$ 5,565,160</u>                      | <u>\$ (392,684)</u> | <u>\$ -</u>                              | <u>\$ 5,172,476</u>                      |

**West Baton Rouge Parish Fire Protection District No. 1**  
**Notes to Financial Statements**  
**December 31, 2020**

**Note 4-Pension Plan**

Plan Description

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

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

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

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

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.

**West Baton Rouge Parish Fire Protection District No. 1**  
**Notes to Financial Statements**  
**December 31, 2020**

**Note 4-Pension Plan** (Continued)

Plan Description (Continued)

*Initial Benefit Option Plan*

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

Funding Policy

*Contributions*

Employer contributions are actuarially determined each year. For the year ended June 30, 2020, employer and employee contribution rates for members above the poverty line were 27.75% and 10.00%, respectively. The employer and employee contribution rates for those members below the poverty line were 29.75% and 8.00%, respectively.

*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 were recognized as revenue during the year ended June 30, 2020, and were excluded from pension expense.

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

At December 31, 2020, the Fire District reported a liability of \$2,978,284 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2020, and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. The allocation method used in determining each employer's proportion was based on each employer's contributions to the System during the year ended June 30, 2020, as compared to the total of all combined contributions to the System during the fiscal year ended June 30, 2020. At the June 30, 2020 measurement date, the Fire District's proportion was 0.430%, which was a decrease of 0.036% from its proportion measured at the June 30, 2019 measurement date. For the year ended December 31, 2020, the Fire District recognized pension expense of \$695,711.

**West Baton Rouge Parish Fire Protection District No. 1**  
**Notes to Financial Statements**  
**December 31, 2020**

**Note 4-Pension Plan (Continued)**

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

At December 31, 2020, the Fire District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

|  | <b>Deferred<br/>Outflows of<br/>Resources</b> | <b>Deferred<br/>Inflows of<br/>Resources</b> |
|--|---|--|
| Differences between expected and actual experience   | \$ -  | \$ 190,550                                   |
| Changes in assumptions   | 287,906                                       | -  |
| Net difference between projected and actual earnings on<br>pension plan investments                              | 327,987                                       | -  |
| Changes in proportion and differences between employer<br>contributions and proportionate share of contributions | 314,681                                       | 276,543                                      |
| Contributions subsequent to measurement date   | 171,642                                       | -  |
|  | <b>\$ 1,102,216</b>                           | <b>\$ 467,093</b>                            |

The Fire District reported a total of \$171,642 as deferred outflows of resources related to pensions resulting from the Fire District's contributions subsequent to the measurement date. This amount will be recognized as a reduction of the Net Pension Liability in the year ending December 31, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows for the years ending December 31:

|            |    |          |
|------------|----|----------|
| 2021       | \$ | 304,473  |
| 2022       |    | 85,590   |
| 2023       |    | 79,056   |
| 2024       |    | 38,260   |
| 2025       |    | (21,244) |
| Thereafter |    | (22,654) |
|            | \$ | 463,481  |

**West Baton Rouge Parish Fire Protection District No. 1**  
**Notes to Financial Statements**  
**December 31, 2020**

**Note 4-Pension Plan** (Continued)

Actuarial Assumptions

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2020 is as follows for the System:

|                                     |  |
|-------------------------------------|--|
| Valuation Date                      | June 30, 2020  |
| Actuarial Cost Method               | Entry age normal cost  |
| Actuarial Assumptions:              |  |
| Expected Remaining Service Lives    | 7 years, closed period   |
| Investment Rate of Return           | 7.00% per annum (net of investment expenses, including inflation)  |
| Inflation Rate                      | 2.50% per annum  |
| Employee Mortality                  | Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Employees multiplied by 105% for males and 115% for females, with full generational projection using the appropriate MP2019 scale.        |
| Annuitant and Beneficiary Mortality | Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Healthy Retirees multiplied by 105% for males and 115% for females, with full generational projection using the appropriate MP2019 scale. |
| Disabled Annuitant Mortality        | Pub-2010 Public Retirement Plans Mortality Table for Safety Disabled Retirees with full generational projection using the appropriate MP2019 scale.  |
| Salary Increases                    | Vary from 14.10% in the first two years of service to 5.20% with 3 or more years of service; includes inflation and merit increases.   |
| Cost of Living Adjustments          | Only those previously granted.   |

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

The estimated long-term expected rate of return on pension plan investments was determined using the target asset allocation and the G.S. Curran & Company Consultant Average Study for 2020. The consultants' average study included projected nominal rates of return, standard deviations of returns, and correlations of returns for a list of common asset classes collected from a number of investment consultants and investment management firms. Using the target asset allocation and the average values for expected real rates of return, standard deviation of returns, and correlation of returns, an arithmetic expected nominal rate of return and standard deviation for the portfolio was determined. The long-term assumed rate of inflation of 2.50% was used in this process.

**West Baton Rouge Parish Fire Protection District No. 1**  
**Notes to Financial Statements**  
**December 31, 2020**

**Note 4-Pension Plan** (Continued)

Actuarial Assumptions (Continued)

Best estimates of arithmetic real rates of return for each major asset class included in the System's target asset allocation as of June 30, 2020 are summarized in the following table:

|                        | <u>Asset Type</u>                | <u>Target Asset Allocation</u> | <u>Long-Term Expected Real Rate of Return</u> |
|------------------------|----------------------------------|--------------------------------|---|
| Equity                 | U.S. Equity                      | 26.00%                         | 5.72%   |
|                        | Non-U.S. Equity                  | 12.00%                         | 6.24%   |
|                        | Global Equity                    | 10.00%                         | 6.23%   |
|                        | Emerging Market Equity           | 6.00%                          | 8.61%   |
| Fixed Income           | U.S. Core Fixed Income           | 26.00%                         | 1.00%   |
|                        | Fixed Income                     | 5.00%                          | 3.40%   |
| Alternatives           | Real Estate                      | 6.00%                          | 4.20%   |
|                        | Private Equity                   | 9.00%                          | 10.29%  |
| Multi-Asset Strategies | Global Tactical Asset Allocation | 0.00%                          | 4.22%   |
|                        | Risk Parity                      | <u>0.00%</u>                   | 4.22%   |
|                        |                                  | <u>100.00%</u>                 |   |

Discount Rate

The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates, and that contributions from participating employers and non-employer contributing entities will be made at the actuarially-determined rates approved by the System's Board of Trustees and by the Public Retirement Systems' Actuarial Committee taking into consideration the recommendation of the System's actuary. Based on these assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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 7.00%, 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 (6.00%) or one percentage point higher (8.00%) than the current rate:

|  | <u>Changes in Discount Rate</u> |                                      |                            |
|--|---------------------------------|--------------------------------------|----------------------------|
|  | <u>1% Decrease (6.00%)</u>      | <u>Current Discount Rate (7.00%)</u> | <u>1% Increase (8.00%)</u> |
| Fire District's proportionate share of net pension liability | <u>\$ 4,302,104</u>             | <u>\$ 2,978,284</u>                  | <u>\$ 1,873,288</u>        |

**West Baton Rouge Parish Fire Protection District No. 1**  
**Notes to Financial Statements**  
**December 31, 2020**

**Note 4-Pension Plan (Continued)**

Pension Plan Fiduciary Net Position

The System issued a stand-alone audit report on its financial statements for the year ended June 30, 2020. Access to the audit report can be found on the System’s website: [www.ffret.com](http://www.ffret.com) or on the Office of the Louisiana Legislative Auditor’s official website: [www.la.la.gov](http://www.la.la.gov).

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

Plan Description

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

Benefits Provided

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

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

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

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

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

Employees Covered by Benefit Terms

At December 31, 2020, the following employees were covered by the benefit terms:

|  |    |
|--|----|
| Inactive employees or beneficiaries currently receiving benefit payments | 4  |
| Active employees   | 18 |
|  | 22 |
|  | 22 |

**West Baton Rouge Parish Fire Protection District No. 1**  
**Notes to Financial Statements**  
**December 31, 2020**

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

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 2020, the plan was funded by the Fire District which paid 100% of the health insurance premiums and 50% of the life insurance premiums. Additionally, the Fire District contributes to the HSA of all HDHP participants based on the schedule shown above. The employer contribution to the OPEB plan for 2020 totaled \$70,794, or approximately 4.68% of gross payroll. The only contributions required by the retirees were their 50% match on the life insurance.

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

The Fire District's total OPEB liability of \$1,991,774 was measured and determined by an actuarial valuation as of December 31, 2020. At the December 31, 2020 measurement date, the Fire District's proportion was 8.12%, which was an increase of 0.49% from the proportion at the December 31, 2019 measurement date. For the year ended December 31, 2020, the Fire District recognized OPEB expense of \$314,843.

At December 31, 2020, the Fire District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

|  | <b>Deferred<br/>Outflows of<br/>Resources</b> | <b>Deferred<br/>Inflows of<br/>Resources</b> |
|--|---|--|
| Differences between expected and actual experience | \$ 179  | \$ 22,666                                    |
| Changes in assumptions                             | 918,725                                       | 128,445                                      |
| Changes in proportion                              | -   | 105,408                                      |
|  | <b>\$ 918,904</b>                             | <b>\$ 256,519</b>                            |

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

|            |           |                |
|------------|-----------|----------------|
| 2021       | \$        | 117,736        |
| 2022       |           | 117,736        |
| 2023       |           | 117,736        |
| 2024       |           | 117,736        |
| 2025       |           | 117,736        |
| Thereafter |           | 73,705         |
|            | <b>\$</b> | <b>662,385</b> |

**West Baton Rouge Parish Fire Protection District No. 1**  
**Notes to Financial Statements**  
**December 31, 2020**

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

Actuarial Methods and Assumptions

A summary of the actuarial methods and assumptions used in determining the total OPEB liability as of December 31, 2020 is as follows:

|                        |   |
|------------------------|---|
| Valuation Date         | December 31, 2020   |
| Actuarial Method       | Individual Entry Age Normal Cost – Level Percentage of Projected Salary |
| Actuarial Assumptions: |   |
| Inflation Rate         | 2.50%   |
| Salary Increase Rate   | 3.50%   |
| Discount Rate          | 2.12% based on the recently published Bond Buyer GO-20 bond index       |
| Health Care Cost Trend | Level 4.50%   |
| Mortality              | RPH-2014 Total Table with Projection MP-2020                            |

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

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

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

|   | <b>Changes in Healthcare Cost Trend Rate</b> |   |                                    |
|---|--|---|------------------------------------|
|   | <b>1%<br/>Decrease<br/>(3.50%)</b>           | <b>Current<br/>Healthcare<br/>Cost Trend<br/>Rate<br/>(4.50%)</b> | <b>1%<br/>Increase<br/>(5.50%)</b> |
| Fire District’s proportionate share of total OPEB liability | <u>\$ 1,655,133</u>                          | <u>\$ 1,991,774</u>   | <u>\$ 2,441,202</u>                |

**West Baton Rouge Parish Fire Protection District No. 1**  
**Notes to Financial Statements**  
**December 31, 2020**

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

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

The following presents the Fire District's proportionate share of the total OPEB liability using the discount rate of 2.12%, as well as what the Fire District's proportionate share of the total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (1.12%) or one percentage point higher (3.12%) than the current rate:

|   | <b>Changes in Discount Rate</b>    |  |                                    |
|---|------------------------------------|--|------------------------------------|
|   | <b>1%<br/>Decrease<br/>(1.12%)</b> | <b>Current<br/>Discount<br/>Rate<br/>(2.12%)</b> | <b>1%<br/>Increase<br/>(3.12%)</b> |
| Fire District's proportionate share of total OPEB liability | \$ 2,361,490                       | \$ 1,991,774                                     | \$ 1,699,290                       |

**Note 6-Non-Current Liabilities**

A. Changes in Non-Current Liabilities

|                               | <b>Balance,<br/>December 31,<br/>2019</b> | <b>Additions</b> | <b>Reductions</b> | <b>Balance,<br/>December 31,<br/>2020</b> | <b>Due<br/>Within<br/>One Year</b> |
|-------------------------------|---|------------------|-------------------|---|------------------------------------|
| Governmental Activities       |   |                  |                   |   |                                    |
| Bonds payable                 | \$ 2,292,000                              | \$ -             | \$ (90,000)       | \$ 2,202,000                              | \$ 93,000                          |
| Net pension liability         | 2,920,848                                 | 796,171          | (738,735)         | 2,978,284                                 | -                                  |
| OPEB liability                | 2,087,113                                 | 147,731          | (243,070)         | 1,991,774                                 | -                                  |
| Total non-current liabilities | \$ 7,299,961                              | \$ 943,902       | \$ (1,071,805)    | \$ 7,172,058                              | \$ 93,000                          |

B. Bonds Payable

Bonds payable at December 31, 2020 are comprised of the following:

\$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.

\$ 2,202,000

**West Baton Rouge Parish Fire Protection District No. 1**  
**Notes to Financial Statements**  
**December 31, 2020**

**Note 6-Non-Current Liabilities (Continued)**

B. Bonds Payable (Continued)

The following is a summary of principal and interest requirements:

| <u>Year Ending</u><br><u>December 31,</u> | <u>Principal</u><br><u>Payments</u> | <u>Interest</u><br><u>Payments</u> | <u>Total</u>        |
|---|-------------------------------------|------------------------------------|---------------------|
| 2021                                      | \$ 93,000                           | \$ 77,070                          | \$ 170,070          |
| 2022                                      | 97,000                              | 73,815                             | 170,815             |
| 2023                                      | 100,000                             | 70,420                             | 170,420             |
| 2024                                      | 103,000                             | 66,920                             | 169,920             |
| 2025                                      | 107,000                             | 63,315                             | 170,315             |
| 2026 - 2030                               | 595,000                             | 257,600                            | 852,600             |
| 2031 - 2035                               | 706,000                             | 145,985                            | 851,985             |
| 2036 - 2038                               | <u>401,000</u>                      | <u>25,515</u>                      | <u>426,515</u>      |
|   | <u>\$ 2,202,000</u>                 | <u>\$ 780,640</u>                  | <u>\$ 2,982,640</u> |

**Note 7-Litigation and Claims**

At December 31, 2020, the Fire District was a defendant in a lawsuit. The Fire District's legal counsel has reviewed the Fire District's claims and lawsuits in order to evaluate the likelihood of an unfavorable outcome to the Fire District. It is the opinion of the Fire District, after conferring with legal counsel, that the liabilities, if any, which might arise from these lawsuits would not have a material adverse effect on the Fire District's financial position.

**Note 8-Risk Management**

The Fire District is exposed to various risks of loss related to torts, thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Fire District has purchased commercial insurance to cover or reduce the risk of loss that might arise should one of these incidents occur. There have been no significant reductions in coverage from the prior period. No settlements were made during the year ended December 31, 2020 that exceeded the Fire District's coverage.

**Note 9-Compensation Paid to the Board**

There was no compensation paid to the board during the year ended December 31, 2020.

**Note 10-Subsequent Events**

The Fire District evaluated all subsequent events through June 30, 2021, the date the financial statements were available to be issued. As a result, the Fire District noted no subsequent events that required adjustment to, or disclosure in, these financial statements.

**Required Supplementary Information**

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

|   | <u>2020</u>         | <u>2019</u>         | <u>2018</u>       |
|---|---------------------|---------------------|-------------------|
| <b>Total OPEB Liability</b>                             |                     |                     |                   |
| Service cost  | \$ 89,073           | \$ 67,590           | \$ 64,928         |
| Interest  | 58,658              | 35,182              | 32,786            |
| Difference between expected and actual experience       | (25,841)            | 239                 | -                 |
| Change of assumptions                                   | (146,435)           | 1,225,991           | -                 |
| Benefit payments  | <u>(70,794)</u>     | <u>(64,808)</u>     | <u>(19,059)</u>   |
| <b>Net Change in Total OPEB Liability</b>               | (95,339)            | 1,264,194           | 78,655            |
| <br>  |                     |                     |                   |
| Total OPEB Liability - Beginning                        | <u>2,087,113</u>    | <u>822,919</u>      | <u>744,264</u>    |
| <br>  |                     |                     |                   |
| Total OPEB Liability - Ending                           | <u>\$ 1,991,774</u> | <u>\$ 2,087,113</u> | <u>\$ 822,919</u> |
| <br>  |                     |                     |                   |
| Covered payroll   | \$ 1,060,026        | \$ 1,142,409        | \$ 1,049,955      |
| <br>  |                     |                     |                   |
| Total OPEB liability as a percentage of covered payroll | 187.9%              | 182.7%              | 78.4%             |

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

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

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

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

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

|   | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> |
|---|-------------|-------------|-------------|-------------|-------------|-------------|
| Statutorily required contribution                                 | \$ 318,643  | \$ 310,720  | \$ 310,910  | \$ 295,388  | \$ 296,881  | \$ 452,297  |
| Contributions in relation to<br>statutorily required contribution | \$ 318,643  | \$ 310,720  | \$ 310,910  | \$ 295,388  | \$ 296,881  | \$ 452,297  |
| Contribution deficiency (excess)                                  | \$ -        | \$ -        | \$ -        | \$ -        | \$ -        | \$ -        |
| Covered payroll   | \$1,060,026 | \$1,142,409 | \$1,049,955 | \$1,142,371 | \$1,036,487 | \$1,546,314 |
| Contributions as a percentage of<br>covered payroll               | 30.06%      | 27.20%      | 29.61%      | 25.86%      | 28.64%      | 29.25%      |

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

**West Baton Rouge Parish Fire Protection District No. 1**  
**Statement of Revenue, Expenditures and Change in Fund Balance**  
**Budget and Actual (Non-GAAP Budgetary Basis) – General Fund**  
**Year Ended December 31, 2020**

|  | Budgeted Amounts |              | Actual<br>(Budgetary<br>Basis) | Final<br>Variance<br>Favorable<br>(Unfavorable) |
|--|------------------|--------------|--------------------------------|---|
|  | Original         | Final        |                                |   |
| <b>Revenue</b>                                 |                  |              |                                |   |
| Taxes - sales and use                          | \$ 3,237,090     | \$ 3,237,090 | \$ 3,480,384                   | \$ 243,294                                      |
| Fire insurance premium                         | 106,000          | 106,000      | 105,692                        | (308)   |
| Interest                                       | 35,000           | 35,000       | 31,326                         | (3,674)   |
| Miscellaneous                                  | 500              | 500          | 138,113                        | 137,613   |
| Total revenue                                  | 3,378,590        | 3,378,590    | 3,755,515                      | 376,925   |
| <b>Expenditures</b>                            |                  |              |                                |   |
| Current  |                  |              |                                |   |
| Public safety                                  | 3,171,801        | 2,971,801    | 2,996,275                      | (24,474)  |
| Capital outlay                                 | 42,000           | 42,000       | -                              | 42,000  |
| Total expenditures                             | 3,213,801        | 3,013,801    | 2,996,275                      | 17,526  |
| <b>Excess of Revenue over<br/>Expenditures</b> | 164,789          | 364,789      | 759,240                        | 394,451   |
| <b>Other Financing Uses</b>                    |                  |              |                                |   |
| Operating transfers out                        | (170,220)        | (170,220)    | (170,220)                      | -   |
| <b>Net Change in Fund Balance</b>              | (5,431)          | 194,569      | 589,020                        | 394,451   |
| <b>Fund Balance</b>                            |                  |              |                                |   |
| Beginning of year                              | 1,901,667        | 1,901,667    | 1,901,667                      | -   |
| End of year                                    | \$ 1,896,236     | \$ 2,096,236 | \$ 2,490,687                   | \$ 394,451                                      |

**West Baton Rouge Parish Fire Protection District No. 1**  
**Notes to Required Supplementary Information**  
**December 31, 2020**

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

**Note 1-Changes of Benefit Terms**

There were no changes of benefit terms for the year ended December 31, 2020.

**Note 2-Changes of Assumptions**

As of the December 31, 2020 measurement date, the mortality assumption for this valuation was updated using the RPH-2014 total table with Projection MP-2020. The healthcare cost trend rate decreased from 5.00% to 4.50% and the discount rate decreased from 2.74% to 2.12% since the previous valuation.

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

**Note 3-Changes of Benefit Terms**

There were no changes of benefit terms for the year ended December 31, 2020.

**Note 4-Changes of Assumptions**

The Firefighters' Retirement System's discount rate decreased from 7.15% to 7.00% since the previous valuation.

*Notes to the budgetary comparison schedule:*

**Note 5-Budget and Budgetary Accounting**

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

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

**West Baton Rouge Parish Fire Protection District No. 1**  
**Notes to Required Supplementary Information**  
**December 31, 2020**

**Note 6-Budgetary-GAAP Reporting Reconciliation**

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

|  | <b>General<br/>Fund</b> |
|--|-------------------------|
| Net change in fund balance (Budgetary Basis) | \$ 589,020              |
| Adjustments-to adjust for accruals           | <u>40,801</u>           |
| Net change in fund balance (GAAP basis)      | <u>\$ 629,821</u>       |

## **Supplementary Information**

**West Baton Rouge Parish Fire Protection District No. 1  
 Schedule of Compensation, Benefits, and Other  
 Payments to Agency Head or Chief Executive Officer  
 Year Ended December 31, 2020**

**Agency Head Name: Tim Crockett, Fire Chief**

| <b>Purpose</b>                         | <b>Amount</b> |
|--|---------------|
| Salary                                 | \$ 72,437     |
| Benefits - insurance                   | 12,909        |
| Benefits - retirement                  | -             |
| Car allowance                          | -             |
| Vehicle provided by government         | -             |
| Per diem                               | -             |
| Reimbursements                         | -             |
| Travel                                 | -             |
| Registration fees                      | -             |
| Conference travel                      | -             |
| Continuing professional education fees | -             |
| Housing                                | -             |
| Unvouchered expenses                   | -             |
| Special meals                          | -             |



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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of West Baton Rouge Parish Fire Protection District No. 1, a component unit of West Baton Rouge Parish Council, as of and for the year ended December 31, 2020, 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 30, 2021.

**Internal Control over Financial Reporting**

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

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

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

**Compliance and Other Matters**

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

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

June 30, 2021

**West Baton Rouge Parish Fire Protection District No. 1**  
**Schedule of Findings and Responses**  
**Year Ended December 31, 2020**

Part I. Summary of Auditor's Results

- 1) An unmodified opinion has been expressed on the financial statements of West Baton Rouge Parish Fire Protection District No. 1 as of and for the year ended December 31, 2020, and the related notes to the financial statements.
- 2) No deficiencies in internal control over financial reporting that we consider to be material weaknesses were identified.
- 3) No instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* were identified.
- 4) A single audit in accordance with *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* was not required.
- 5) A management letter was not issued.

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

No findings were noted.

**West Baton Rouge Parish Fire Protection District No. 1**  
**Summary Schedule of Prior Year Findings**  
**Year Ended December 31, 2020**

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

No findings were noted.

Part II. Management Letter

A management letter was not issued for the year ended December 31, 2019.