

LINCOLN PARISH FIRE PROTECTION DISTRICT NO. 1
RUSTON, LOUISIANA

Financial Statements
For the Year Ended December 31, 2015

William R. Hulse (A Professional Accounting Corporation) 2303 Justice Avenue Monroe, LA 71201

LINCOLN PARISH FIRE PROTECTION DISTRICT NO. 1
RUSTON, LOUISIANA
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

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MEMBER
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
SOCIETY OF LOUISIANA
CERTIFIED PUBLIC ACCOUNTANTS

WILLIAM R. HULSEY
A PROFESSIONAL ACCOUNTING CORPORATION
2203 JUSTICE AVENUE
MONROE, LOUISIANA 71201

william@hulseyapac.com
(318) 362-9900
FAX (318) 362-9921

INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
Lincoln Parish Fire Protection District No. 1
Ruston, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities of the Lincoln Parish Fire Protection District No. 1 as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the Lincoln 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 of the Lincoln Parish Fire Protection District No. 1, as of December 31, 2015, 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.

To the Board of Commissioners
Lincoln Parish Fire Protection District No. 1
Ruston, Louisiana

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (pages 4-6) budgetary comparison information (pages 28-31), schedule of employer's proportionate share of net pension liability (page 32), and schedule of employer's contributions (page 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.

Other Information

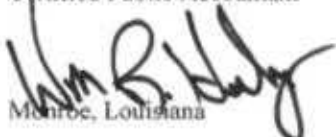
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Lincoln Parish Fire Protection District No. 1's basic financial statements. The schedule of compensation, benefits, and other payments to agency head or chief executive officer is presented 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 are the responsibility of management and were derived from and relate 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 are 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, 2016, on our consideration of the Lincoln 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 the Lincoln Parish Fire Protection District No. 1's internal control over financial reporting and compliance.

WILLIAM R. HULSEY (APAC)
Certified Public Accountant



Monroe, Louisiana

June 30, 2016

**REQUIRED SUPPLEMENTAL INFORMATION (PART A)
MANAGEMENT'S DISCUSSION AND ANALYSIS**

**LINCOLN PARISH FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)**

Our discussion and analysis of the Lincoln Parish Fire Protection District provides an overview of the District's activities for the year ended December 31, 2015 as compared to 2014. Please read it in conjunction with the District's financial statements.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities provide information about the activities of the Fire District as a whole.

Reporting the District as a Whole

The Statement of Net Position and the Statement of Activities

These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector entities. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report to the District's net position and changes in them. The District's net position (the differences between assets and liabilities) measure the District's financial position. The increases or decreases in the District's net position are an indicator of whether its financial position is improving or not.

THE FIRE DISTRICT AS A WHOLE

For the year ended December 31, 2015 and 2014, net position changed as follows:

	<u>2015</u>	<u>2014</u>
Beginning Net Position	\$2,116,354	\$3,446,805
Increase in Net Position	<u>864,769</u>	<u>(1,330,451)</u>
Ending Net Position	\$2,981,123	\$2,116,354

The Fire District's FUNDS

The following schedule presents a summary of revenues and expenditures for the years ended December 31, 2015 and 2014:

Revenues	2015 Amount	Percent Of Total	2014 Amount	Percent Of Total
Sales Tax	\$ 1,336,950	64.73%	\$ 783,297	52.99%
Structure Fees	615,076	29.78%	593,650	40.16%
Local Grants	10,000	0.48%	-	0%
Other revenues	103,387	5.01%	101,192	6.85%
Total Revenues	\$2,065,413	100.00%	\$1,478,139	100.00%

Expenditures	2015 Amount	Percent Of Total	2014 Amount	Percent Of Total
Public Safety	\$ 1,200,947	99.77%	\$ 1,378,882	100.00%
Capital Outlay	2,746	0.23%	-	0%
Total Expenditures	\$1,203,693	100.00%	\$1,378,882	100.00%

GENERAL FUND BUDGETARY HIGHLIGHTS

The Fire District's General Fund revenues were above the final budgeted amount by \$205,084 while expenditures had an unfavorable variance of \$55,748.

CAPITAL ASSETS AND DEBT ADMINISTRATION

At December 31, 2015, the Fire District had \$5,836,154 (\$969,813, net of accumulated depreciation) invested in capital assets including buildings, vehicles, and machinery and equipment as shown below:

	December 31 2014	Additions	Disposals	December 31 2015
Vehicles	\$1,724,956	\$ -	\$(103,396)	\$1,621,560
Building	981,627	-	-	981,627
Machinery & Equipment	3,327,331	12,060	(119,224)	3,220,167
Land	12,800	-	-	12,800
Construction in Progress	-	-	-	-
Totals at Historical Cost	\$6,046,714	12,060	(222,620)	5,836,154
Less Accumulated Depreciation	(5,075,840)	(13,121)	222,620	(4,866,341)
Totals, net	\$ 970,874	\$ (1,061)	\$ -	\$969,813

Debt

The District had a total liability for compensated absences of \$3,249 at year end.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The Fire District has continued to hire additional firefighter/operators in the last several years. The District has also within the last few years completed two additional fire stations and renovated another. It is the goal of the District to provide the best fire protection possible for the citizens of Lincoln Parish and will continue to improve its fire rating.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have any questions about the report or need additional information, contact the following:

Contact Person: Kevin Reynolds
Title: Fire Chief

GOVERNMENT-WIDE FINANCIAL STATEMENTS

LINCOLN PARISH FIRE PROTECTION DISTRICT NO. 1
RUSTON, LOUISIANA

GOVERNMENTAL ACTIVITIES
STATEMENT OF NET POSITION
AS OF DECEMBER 31, 2015

ASSETS	
Cash and cash equivalents	\$ 1,332,672
Investments	1,101,701
Receivables	662,361
Due from other governments	374,240
Capital assets, net of accumulated depreciation	969,813
TOTAL ASSETS	<u>4,440,787</u>
 DEFERRED OUTFLOWS	
Pension related	<u>335,080</u>
 LIABILITIES	
Accounts, salaries and other payables	8,437
Due to other agencies	22,907
Compensated absences	3,249
Net pension liability	1,439,331
TOTAL LIABILITIES	<u>1,473,924</u>
 DEFERRED INFLOWS	
Pension related	<u>320,820</u>
 NET POSITION	
Net investment in capital assets	969,813
Unrestricted net position	2,011,310
TOTAL NET POSITION	<u>\$ 2,981,123</u>

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

LINCOLN PARISH FIRE PROTECTION DISTRICT NO. 1
RUSTON, LOUISIANA

GOVERNMENTAL ACTIVITIES
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2015

<u>FUNCTIONS</u>	<u>EXPENSES</u>	<u>PROGRAM REVENUES</u>			<u>NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS</u>
		<u>CHARGES FOR SERVICES</u>	<u>OPERATING GRANTS AND CONTRIBUTIONS</u>	<u>CAPITAL GRANTS AND CONTRIBUTIONS</u>	
Public safety	1,264,447	615,076	100,297	-	(549,074)
General revenues:					
					1,336,950
					12,340
					750
					1,413,843
					864,769
					2,116,354
					\$ 2,981,123

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

FUND FINANCIAL STATEMENTS

LINCOLN PARISH FIRE PROTECTION DISTRICT NO. 1
RUSTON, LOUISIANA

GOVERNMENTAL FUNDS - BALANCE SHEET
AS OF DECEMBER 31, 2015

	<u>GENERAL FUND</u>	<u>DEBT SERVICE FUND</u>	<u>EQUIPMENT RESERVE FUND</u>	<u>FIRE TRAINING CENTER</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
ASSETS					
Cash and cash equivalents	\$ 654,019	\$ (12)	\$ 362,915	\$ 315,750	\$ 1,332,672
Investments	2,874	-	1,098,827	-	1,101,701
Receivables	662,361	-	-	-	662,361
Due from other funds	8,454	-	194,788	-	203,242
Due from other governments - LPPJ	367,982	3,394	-	2,864	374,240
Total assets	<u>1,695,690</u>	<u>3,382</u>	<u>1,656,530</u>	<u>318,614</u>	<u>3,674,216</u>
LIABILITIES AND FUND EQUITY					
Liabilities:					
Accounts payable	8,437	-	-	-	8,437
Due to other governments - LPPJ	-	-	22,907	-	22,907
Due to other funds	118,788	84,454	-	-	203,242
Total liabilities	<u>127,225</u>	<u>84,454</u>	<u>22,907</u>	<u>-</u>	<u>234,586</u>
Fund equity - fund balances:					
Restricted	<u>1,568,465</u>	<u>(81,072)</u>	<u>1,633,623</u>	<u>318,614</u>	<u>3,439,630</u>
Total liabilities and fund equity	<u>\$ 1,695,690</u>	<u>\$ 3,382</u>	<u>\$ 1,656,530</u>	<u>\$ 318,614</u>	<u>\$ 3,674,216</u>

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

LINCOLN PARISH FIRE PROTECTION DISTRICT NO. 1
RUSTON, LOUISIANA

RECONCILIATION OF THE GOVERNMENTAL FUNDS' BALANCE SHEET TO THE
STATEMENT OF NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2015

Total fund balances - governmental funds	\$ 3,439,630
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources	969,813
Pension related items are not reported in the fund statements:	
Deferred outflows	335,080
Deferred inflows	(320,820)
Net pension liability	(1,439,331)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the fund statements.	<u>(3,249)</u>
Net assets of governmental activities	<u>\$ 2,981,123</u>

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

LINCOLN PARISH FIRE PROTECTION DISTRICT NO. 1
RUSTON, LOUISIANA

GOVERNMENTAL FUNDS - STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2015

	<u>GENERAL FUND</u>	<u>DEBT SERVICE FUND</u>	<u>EQUIPMENT RESERVE FUND</u>	<u>FIRE TRAINING CENTER</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
Revenues:					
Taxes:					
Sales and use	\$ 1,336,950	\$ -	\$ -	\$ -	\$ 1,336,950
Intergovernmental funds:					
State funds:					
Fire insurance rebate	90,297	-	-	-	90,297
Local funds	-	-	-	10,000	10,000
Fees, charges and commissions for services	615,076	-	-	-	615,076
Use of money and property	3,291	-	9,894	155	12,340
Donations	750	-	-	-	750
Total revenues	<u>2,045,364</u>	<u>-</u>	<u>9,894</u>	<u>10,155</u>	<u>2,065,413</u>
Expenditures:					
Current:					
Public safety:					
Personal services and related benefits	780,609	-	-	-	780,609
Operating services	339,273	-	-	3,390	342,663
Materials and supplies	52,497	-	-	128	52,625
Travel and other	25,050	-	-	-	25,050
Capital outlay	2,596	-	-	150	2,746
Total expenditures	<u>1,200,025</u>	<u>-</u>	<u>-</u>	<u>3,668</u>	<u>1,203,693</u>
Excess (deficiency) of revenues over expenditures	<u>845,339</u>	<u>-</u>	<u>9,894</u>	<u>6,487</u>	<u>861,720</u>
Other sources (uses):					
Operating transfers in	-	-	-	10,000	10,000
Operating transfers out	(10,000)	-	-	-	(10,000)
Total other sources (uses)	<u>(10,000)</u>	<u>-</u>	<u>-</u>	<u>10,000</u>	<u>-</u>
Net change in fund balances	835,339	-	9,894	16,487	861,720
Fund balances (deficit) at beginning of year	733,126	(81,072)	1,623,729	302,127	2,577,910
Fund balances (deficit) at end of year	<u>\$ 1,568,465</u>	<u>\$ (81,072)</u>	<u>\$ 1,633,623</u>	<u>\$ 318,614</u>	<u>\$ 3,439,630</u>

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

LINCOLN PARISH FIRE PROTECTION DISTRICT NO. 1
RUSTON, LOUISIANA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2015

Net change in fund balances - total governmental funds	\$ 861,720
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
Capital outlays	12,060
Depreciation	(13,121)
Some items reported in the statement of activities, such as a net decrease or increase in compensated absences, do not require the use of current financial resources, nor do they provide any, and therefore are not reported as expenditures or revenues in the governmental funds.	
	(527)
Changes in the net pension liability are not reported in the governmental funds.	4,637
Change in net position of governmental activities	<u>\$ 864,769</u>

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

LINCOLN PARISH FIRE PROTECTION DISTRICT NO. 1
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Lincoln Parish Fire Protection District No. 1 (the District) of Ruston, Louisiana was created by resolution and adopted by the Police Jury on April 23, 1991. The governing body of the District consists of a seven member Board of Commissioners. Four of these commissioners are appointed by the municipalities of Downsville, Dubach, Simsboro, and the Town of Vienna. Three additional members are appointed by the Policy Jury.

The District complies with accounting principles generally accepted in the United States of America (GAAP). GAAP includes all relevant Government Accounting Standards Board (GASB) pronouncements. In the government-wide financial statements, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989 have been applied unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent sections of this note.

Basis of Presentation

In June, 1999, the GASB unanimously approved statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*. Certain of the significant changes in the presentation of its funds financial information include, for the first time a Management Discussion and Analysis (MD&A) section providing an analysis of the District's overall financial position and results of operations and financial statements prepared using full accrual accounting for all fund activities. These and other changes are reflected in the accompanying financial statements including the notes to the financial statements.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

Government-Wide Financial Statements – The governmental-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.

Governmental Fund Financial Statements – The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal year end

Principal revenue sources considered susceptible to accrual include ad valorem taxes, structure fees, sales tax, and interest on investments. Some revenue items that are considered measurable and available to finance operations during the year from an accounting perspective are not available for expenditure due to the District's present appropriation system.

LINCOLN PARISH FIRE PROTECTION DISTRICT NO. 1
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

These revenues have been accrued in accordance with accounting principles generally accepted in the United States of America since they have been earned and are expected to be collected within sixty days of the end of the period. Other revenues are considered to be measurable and available only when cash is received by the District. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. Modifications to the accrual basis of accounting include:

- Employees' vested annual leave is recorded as an expenditure when utilized. The amount of accumulated annual leave unpaid at December 31, 2015 has been reported only in the government-wide financial statements.
- Interest on general long-term obligations is recognized when paid.
- Debt service expenditures are recorded only when payment is due.

Fund Accounting

The financial activities of the District are recorded in individual funds, each of which is deemed to be a separate accounting entity. The District uses fund accounting to report on its financial position and results of operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

Governmental Funds

General Fund – This fund is established to account for resources devoted to financing the general services that the District performs. Fees and other revenues used to finance the fundamental operation of the District are included in this fund. The fund is charged with all costs of operating the District for which a separate fund has not been established.

Debt Service – This fund is established for the purpose of accumulating resources for the payment of interest and principal on long-term general obligation debt other than those payable from Enterprise Funds and Special Assessment Funds.

Equipment Reserve Fund – This fund is established to reserve funds for the replacement of equipment when necessary.

Fire Training Center Fund - This fund is established for the purpose of constructing and maintaining a building for training of firefighters.

Use of 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 that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

LINCOLN PARISH FIRE PROTECTION DISTRICT NO. 1
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgeting Procedures

The budgets for the funds are proposed by the Director and formally adopted by the Commissioners. The budget is prepared on a basis consistent with generally accepted accounting principles. Budgetary amendments involving the transfer of funds from one function to another or involving increases in expenditures resulting from revenues exceeding amounts estimated require approval of the Commissioners. At year end, all appropriations lapse.

Cash and Cash Equivalents

Cash includes demand deposits and money market accounts. Under state law, the Lincoln Parish Fire Protection District No. 1 may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union or the laws of the United States. Further, the Lincoln Parish Fire Protection District No. 1 may invest in the time deposits or certificates of deposit of state banks organized under Louisiana law and national banks having principal offices in Louisiana.

The District's policy is to include short-term interest bearing deposits having a maturity of three months or less as cash equivalents in the financial statements.

Valuation of Carrying Amounts and Deposits

Cash is reported at net book value – the year-end bank balance plus any deposits in transit and less any outstanding checks that have not cleared the bank as of that date.

Fund Equity

GASB Statement No. 54 establishes standards for five fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of resources reported in government funds. The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form – prepaid items or inventories; or (b) legally or contractually required to be maintained intact.

The spendable portion of the fund balance comprises the remaining four classifications: restricted, committed, assigned and unassigned.

Restricted Fund Balance – This classification reflects the constraints imposed on resources either (a) externally by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance – These amounts can only be used for specific purposes pursuant to constraints imposed by formal resolutions or ordinances of the commissioners – the government's highest level of decision making authority. Those committed amounts cannot be used for any other purpose unless the police jurors remove the specified use by taking the same type of action imposing the commitment. This classification also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

LINCOLN PARISH FIRE PROTECTION DISTRICT NO. 1
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Equity (Continued)

Assigned Fund Balance – This classification reflects the amounts constrained by the District's "intent" to be used for specific purposes, but are neither restricted nor committed. The commissioners and management have the authority to assign amounts to be used for specific purposes. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the general fund, that are not classified as nonspendable and are neither restricted nor committed.

Unassigned Fund Balance – This fund balance is the residual classification for the general fund. It is also used to report negative fund balances in other governmental funds.

When both restricted and unrestricted resources are available for use, it is the District's policy to use externally restricted resources first, then unrestricted resources – committed, assigned and unassigned – in order as needed.

Receivables

All receivables are recorded at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

Short-term Interfund Receivables/Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the balance sheet. In the process of aggregating data for the statements of net position and the statement of activities, some amounts reported as interfund activity and balances in the funds were eliminated or reclassified.

Quasi-external transactions are accounted for as revenue and expenditures. Transactions that constitute reimbursements to a fund are recorded as expenditures in the reimbursing fund and as a reduction of expenditures in the fund that is reimbursed. All other interfund transactions that are not to be repaid are recorded as transfers.

Fixed Assets

Fixed assets of the District are stated at cost and are reported in the government-wide financial statements. Depreciation of all exhaustible fixed assets is charged as an expense against operations. Depreciation is computed using the straight-line method over the estimated useful lives of 5 years.

Compensated Absences

Employees accrue from 18 to 30 days of annual leave each year depending on years of service with the District. Firemen may receive up to one year's sick leave per illness as prescribed under Louisiana law.

A provision of \$3,249 has been made for the compensated absences and vacation in these financial statements.

LINCOLN PARISH FIRE PROTECTION DISTRICT NO. 1
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

NOTE 2 – CASH AND CASH EQUIVALENTS

Custodial Credit Risk – Deposits. The custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District's policy to ensure there is no exposure to this risk is to require each financial institution to pledge its' own securities to cover any amount in excess of Federal Depository Insurance Coverage. Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the District that the fiscal agent bank has failed to pay deposited funds upon demand. Accordingly, the District had no custodial credit risk related to its deposits at December 31, 2015. The District had cash and cash equivalents in demand deposits, totaling \$1,482,033 at December 31, 2015.

These deposits are stated at cost, which approximates market. 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. Cash and cash equivalents (bank balances other than these backed by the U.S. government) at December 31, 2015, are secured, as follows:

Bank Balances	<u>\$ 1,482,033</u>
FDIC Insurance	250,000
Pledged Securities (uncollateralized)	<u>1,533,356</u>
Total	<u>\$ 1,783,356</u>

NOTE 3 – PROPERTY AND EQUIPMENT

Capital asset activity for the year ended December 31, 2015 is as follows:

	<u>Beginning Balance</u>	<u>Adjustments</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Capital assets not being depreciated:					
Land	\$ 12,800	\$ -	\$ -	\$ -	\$ 12,800
Total capital assets not being depreciated	<u>12,800</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,800</u>
Capital assets being depreciated:					
Buildings	981,627	-	-	-	981,627
Vehicles	1,724,956	-	-	(103,396)	1,621,560
Machinery and equipment	3,327,331	9,464	2,596	(119,224)	3,220,167
Total capital assets being depreciated	<u>6,033,914</u>	<u>9,464</u>	<u>2,596</u>	<u>(222,620)</u>	<u>5,823,354</u>
Less accumulated depreciation for:					
Buildings	(87,361)	(15,061)	(24,541)	-	(126,963)
Vehicles	(1,700,089)	23,572	(10,647)	103,396	(1,583,768)
Machinery and equipment	(3,288,390)	59,415	(45,859)	119,224	(3,155,610)
Total accumulated depreciation	<u>(5,075,840)</u>	<u>67,926</u>	<u>(81,047)</u>	<u>222,620</u>	<u>(4,866,341)</u>
Total capital assets being depreciated, net	<u>958,074</u>	<u>77,390</u>	<u>(78,451)</u>	<u>-</u>	<u>957,013</u>
Total capital assets, net	<u>\$ 970,874</u>	<u>\$ 77,390</u>	<u>\$ (78,451)</u>	<u>\$ -</u>	<u>\$ 969,813</u>

Depreciation was charged to the Public Safety function of the District in the amount of \$81,047.

LINCOLN PARISH FIRE PROTECTION DISTRICT NO. 1
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

NOTE 4 – INVESTMENTS

Custodial Credit Risk – Investments. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District's investments in United States government securities are held by the District's agent in the District's name. Therefore, the District had no custodial credit risk related to its investments at December 31, 2015.

Under state law, the District may invest funds in obligations of the United States, in federally-insured investments, or in time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana. At December 31, 2015, the District had the following investments stated at cost, which approximates market:

United States Government Securities	<u>\$ 1,101,701</u>
-------------------------------------	---------------------

Interest Rate Risk. In accordance with its investments policy, the District manages its exposure to declines in fair market values by limiting investment portfolio to "money market investments" which are defined as creditworthy, highly liquid investments with maturities of one year or less. Although there may be certain circumstances in which longer-term securities are utilized, the general use of long-term securities shall be avoided.

Credit Risk. The District's investment policy limits investments to fully insured and/or fully-collateralized certificates of deposits and direct and indirect obligations of U.S. government agencies.

Concentration of Credit Risk. The District's investment policy limits the District's investment instruments to: 1) certificates of deposit; 2) certain direct obligations of the U.S. Government; 3) bonds, debentures, notes, or other evidence of indebtedness issued or guaranteed by federal agencies and provided such obligations are backed by the full faith and credit of the United States of America; and 4) the Louisiana Asset Management Pool.

NOTE 5 – ACCOUNTS RECEIVABLE

The receivables of \$662,361 on December 31, 2015, are detailed as follows:

	<u>Total</u>
Structure Fees	\$ 554,908
Sales Tax	107,403
Other Receivables	<u>50</u>
Total	<u>\$ 662,361</u>

Based on prior experience, the uncollectible ad valorem taxes net of proceeds from the sheriff's sale of property is immaterial, thus no provision has been made for such loss.

LINCOLN PARISH FIRE PROTECTION DISTRICT NO. 1
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

NOTE 6 - DUE TO/FROM OTHER FUNDS

Individual fund balances due to/from other funds at December 31, 2015, are as follows:

<u>Fund</u>	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
Major Funds:		
General Fund	\$ 8,454	\$ 118,788
Debt Service Fund	-	84,454
Fire Training Center	-	-
Equipment Reserve Fund	<u>194,788</u>	<u>-</u>
Totals	<u>\$ 203,242</u>	<u>\$ 203,242</u>

These balances resulted from the time lag between the dates that interfund goods and services are provided or reimbursable expenditures occur, transactions are recorded in the accounting system and payments between funds are made.

NOTE 7 - PENSION PLAN

Plan Description

The Lincoln Parish Fire Protection District #1 contributes to the Firefighters' Retirement System of Louisiana (System) which is a cost sharing multiple employer defined benefit pension plan. Membership in the System is mandatory for all full-time firefighters who earn more than \$375 per month and are employed by any municipality, parish, or fire protection district of the State of Louisiana.

Any member of the Plan can retire providing the member meets one of the following criteria:

1. Any age with 25 years of creditable service.
2. Age 50 with a minimum of twenty or more years of creditable service.
3. Age 55 with a minimum of twelve or more years of creditable service.

The monthly amount of benefits are 3 1/3% of their average final compensation based on the 36 consecutive months of highest pay multiplied by their total years of service, not to exceed 100% of final salary.

The system also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. The report may be obtained by writing to the Firefighters' Retirement System of Louisiana, 3100 Brentwood Drive, Baton Rouge, Louisiana, or by visiting the System's website www.lafirefightersret.com.

LINCOLN PARISH FIRE PROTECTION DISTRICT NO. 1
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

NOTE 7 - PENSION PLAN (continued)

Contributions

According to state statute, contribution requirements for all employers are actuarially determined each year. For the year ended December 31, 2015, the actual employer contributions were 29.25% for January through June and 27.25% for July through December, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. In accordance with state statute, the System receives ad valorem taxes and state revenue sharing funds. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities, but are not considered special funding situations.

Members are required by state statute to contribute 10.00% of their annual covered salary. The contributions are deducted from the employee's wages or salary and remitted by the Lincoln Parish Police Jury to the System monthly. The Lincoln Parish Police Jury's contributions to the System for the year ending December 31, 2015 were \$146,024.

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

At December 31, 2015, the Employer reported a liability of \$1,439,331 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2015 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. The Lincoln Parish Fire Protection District #1's proportion of the Net Pension Liability was based on a projection of the Lincoln Parish Fire Protection District #1's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2015, the Lincoln Parish Fire Protection District #1's proportion was 0.266685%, which was an increase of 0.020078% from its proportion measured as of June 30, 2014.

For the year ended December 31, 2015, the Lincoln Parish Fire Protection District #1 recognized pension expense of \$241,288 plus employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions, (\$182,122). Total pension expense for the Lincoln Parish Police Jury for the year ended December 31, 2015 was \$59,166.

At December 31, 2015, the Lincoln Parish Fire Protection District #1 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
Beginning Balance	\$3,032	\$409,687
Change in System deferred outflows and inflows of resources	172,419	(58,547)
Changes in proportionate share	85,302	(47,458)
Differences between employer contributions and proportionate share of employer contributions	-	17,138
Contributions after the measurement period	74,327	-
Total	\$335,080	\$320,820

LINCOLN PARISH FIRE PROTECTION DISTRICT NO. 1
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

NOTE 7 - PENSION PLAN (continued)

The \$74,327 reported as deferred outflows of resources related to pensions resulting from Lincoln Parish Fire Protection District #1 contributions subsequent to the measurement date will be recognized as a reduction of Net Pension Liability in the year ended December 31, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year ended June 30,	
2016	\$2,037
2017	2,037
2018	2,037
2019	2,037
2020	2,037
2021	2,037
2022	2,037

Actuarial Assumptions

A summary of the actuarial methods and assumptions used in determining the total pension liability as of December 31, 2015 are as follows:

Valuation Date	June 30, 2015
Actuarial Cost Method	Entry Age Normal Cost
Actuarial Assumptions:	
Investment Rate of Return	7.5% per annum
Inflation rate	2.875% per annum
Salary increases	Vary from 15.0% in the first two years of service to 4.75% after 25 years
Mortality	Mortality assumptions were set after reviewing an experience study performed on plan data for the period July 1, 2009 through June 30, 2014. Pre and post-mortality life expectancies of participants based on the RP-2000 Healthy Annuitant Mortality Table, set back one year, for healthy annuitants and beneficiaries. RP-2000 Employee Mortality Table, set back one year, for active members RP-2000 Disabled Lives Mortality Table was selected for disabled annuitants.
Cost of Living Adjustments	Only those previously granted

LINCOLN PARISH FIRE PROTECTION DISTRICT NO. 1
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

NOTE 7 - PENSION PLAN (continued)

The 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 weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and an adjustment for the effect of rebalancing/diversification. The target allocation and best estimates of geometric real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2015 are summarized in the following table:

Asset Class	Long-Term Target Asset Allocation	Expected Portfolio Real Rate of Return
Fixed income	24%	1.84%
Equity	51	6.50
Alternatives	15	6.96
Other	10	4.36
Totals	100%	5.24
Inflation		3.00%
Expected arithmetic nominal return		8.24%

Discount Rate

The discount rate used to measure the total pension liability was 7.5%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from employers will be made at contractually required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payment to determine the total pension liability.

Sensitivity of the Lincoln Parish Fire Protection District #1's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the Lincoln Parish Fire Protection District #1's proportionate share of the net pension liability calculated using the discount rate of 7.5%, as well as what the Lincoln Parish Fire Protection District #1's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage-point lower (6.5%) or one percentage-point higher (8.5%) than the current rate:

	1.0% Decrease (6.5%)	Current Discount Rate (7.5%)	1.0% Increase (8.5%)
Employer's proportionate share of net pension liability	\$2,041,830	\$1,439,331	\$932,864

LINCOLN PARISH FIRE PROTECTION DISTRICT NO. 1
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

NOTE 7 - PENSION PLAN (continued)

Payables to the Pension Plan

These financial statements do not include a payable to the pension plan.

Plan Fiduciary Net Position

Detailed information about the Plan's fiduciary net position is available in the separately issued Firefighters' Retirement System of Louisiana Audit Report at www.lafirefightersret.com.

NOTE 8 - LEASE OBLIGATIONS

The Lincoln Parish Fire Protection District No. 1 has entered into twenty leases for real property on which to locate fire stations. The leases have various commencing dates beginning in April 1993, and running through April 1994. All leases run for twenty-five years following the commencing date with an option for the district to renew the lease for an additional twenty-five years thereafter. All leases are for \$1 per year. Leases shall expire on their own terms if a fire station, fire protection facility or similar structure is not constructed on the leased premises within twenty-four months from the date the agreement is executed by the lessor. Additionally, leases shall expire if the fire station, fire protection facility or other similar structure is not equipped with appropriate fire protection equipment or ceases to be used as a fire protection facility for the period of twenty-four consecutive months.

Because the leases are operating leases, no provision for the underlying property has been made in general fixed assets nor have the leases been reflected as general long-term debt. The following is a schedule of future minimum lease payments:

<u>Year Ending</u> <u>December 31,</u>	<u>Amount</u>
2016	20
2017	20
2018	20
2019	20
2020	<u>20</u>
Total minimum payments required	<u>\$ 100</u>

NOTE 9 - LONG-TERM DEBT

	<u>Beginning</u> <u>Balance</u>	<u>Additions</u>	<u>Reduction</u>	<u>Ending</u> <u>Balance</u>	<u>Amounts Due</u> <u>Within</u> <u>One Year</u>
Government Activities:					
Accrued Vacation Time	<u>\$ 2,722</u>	<u>\$ 527</u>	<u>\$ -</u>	<u>\$ 3,249</u>	<u>\$ 3,249</u>

LINCOLN PARISH FIRE PROTECTION DISTRICT NO. 1
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

NOTE 10 - DEFERRED COMPENSATION PLAN

Employees of the Lincoln Parish Fire Protection District No. 1 may participate in a deferred compensation plan adopted under the provisions of Internal Revenue Code Section 457 (Deferred Compensation Plans with Respect to Service for State and Local Governments).

The deferred compensation plan is available to all employees of the Lincoln Parish Fire Protection District No. 1. Under the plan, employees may elect to defer a portion of their salaries and avoid paying taxes on the deferred portion until the withdrawal date. The deferred compensation amount is not available for withdrawal by employees until termination, retirement, death, or unforeseeable emergency. In accordance with the provisions of GASB Statement No. 32 and No. 34, plan balances and activities are not reflected in the financial statements of the Lincoln Parish Fire Protection District No. 1.

NOTE 11 - LITIGATION AND CLAIMS

According to the Parish District Attorney, the Lincoln Parish Fire Protection District No. 1 had no pending or threatened litigation as of December 31, 2015.

NOTE 12 - COMPENSATION FOR THE BOARD OF COMMISSIONERS

The members of the Board for the Fire Protection District No. 1 receive no compensation.

NOTE 13 - SUBSEQUENT EVENTS

Subsequent events have been evaluated through June 30, 2016, which the day the financial statements were available to be issued, and it has been determined that no significant events have occurred for disclosure.

NOTE 14 - PRIOR PERIOD ADJUSTMENT

The beginning net position of the governmental activities is being restated due to properly reflect the change in Unfunded Actuarial Liability due to reporting changes in accordance with GASB 68.

**REQUIRED SUPPLEMENTAL INFORMATION (PART B)
BUDGETARY COMPARISON SCHEDULES**

LINCOLN PARISH FIRE PROTECTION DISTRICT NO. 1
RUSTON, LOUISIANA

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2015

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
Revenues:				
Taxes:				
Sales and use	\$ 558,000	\$ 1,158,000	\$ 1,336,950	\$ 178,950
Intergovernmental funds:				
Fire insurance rebate	70,000	90,297	90,297	-
Fees, charges, and commissions for services	585,000	585,000	615,076	30,076
Use of money and property	1,100	1,100	2,291	1,191
Other revenues	-	4,883	-	(4,883)
Donations	1,000	1,000	750	(250)
Total revenues	<u>1,215,100</u>	<u>1,840,280</u>	<u>2,045,364</u>	<u>205,084</u>
Expenditures:				
Current:				
Public safety:				
Personal services and related benefits	916,690	856,690	780,609	(76,081)
Operating services	282,883	274,087	339,273	65,186
Materials and supplies	5,000	13,500	52,497	38,997
Travel and other	-	-	25,050	25,050
Capital outlay	-	-	2,596	2,596
Total expenditures	<u>1,204,573</u>	<u>1,144,277</u>	<u>1,200,025</u>	<u>55,748</u>
Excess (deficiency) of revenues over expenditures	<u>10,527</u>	<u>696,003</u>	<u>845,339</u>	<u>149,336</u>
Other sources (uses):				
Operating transfers out	<u>(10,000)</u>	<u>(10,000)</u>	<u>(10,000)</u>	<u>-</u>
Net change in fund balances	527	686,003	835,339	149,336
Fund balances at beginning of year	492,344	733,126	733,126	-
Fund balances at end of year	<u>\$ 492,871</u>	<u>\$ 1,419,129</u>	<u>\$ 1,568,465</u>	<u>\$ 149,336</u>

LINCOLN PARISH FIRE PROTECTION DISTRICT NO. 1
 RUSTON, LOUISIANA

BUDGETARY COMPARISON SCHEDULE - EQUIPMENT RESERVE FUND
 FOR THE YEAR ENDED DECEMBER 31, 2015

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		
Revenues:				
Use of money and property	\$ 16,500	\$ 11,500	\$ 9,894	\$ (1,606)
Expenditures:				
Current:				
Public safety:				
Total expenditures	-	-	-	-
Net change in fund balances	16,500	11,500	9,894	(1,606)
Fund balances at beginning of year	1,631,272	1,623,729	1,623,729	-
Fund balances at end of year	<u>\$ 1,647,772</u>	<u>\$ 1,635,229</u>	<u>\$ 1,633,623</u>	<u>\$ (1,606)</u>

LINCOLN PARISH FIRE PROTECTION DISTRICT NO. 1
 RUSTON, LOUISIANA

BUDGETARY COMPARISON SCHEDULE - FIRE TRAINING CENTER FUND
 FOR THE YEAR ENDED DECEMBER 31, 2015

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		
Revenues:				
Intergovernmental funds:				
Local	\$ 20,000	\$ 20,000	\$ 20,000	\$ -
Use of money and property	465	120	155	35
Total revenues	<u>20,465</u>	<u>20,120</u>	<u>20,155</u>	<u>35</u>
Expenditures:				
Current:				
Public safety:				
Operating services	4,732	26,682	3,390	(23,292)
Materials and supplies	15,500	7,601	128	(7,473)
Capital outlay	-	-	150	150
Total expenditures	<u>20,232</u>	<u>34,283</u>	<u>3,668</u>	<u>(30,615)</u>
Net change in fund balances	233	(14,163)	16,487	30,650
Fund balances at beginning of year	289,596	302,127	302,127	-
Fund balances at end of year	<u>\$ 289,829</u>	<u>\$ 287,964</u>	<u>\$ 318,614</u>	<u>\$ 30,650</u>

LINCOLN PARISH FIRE PROTECTION DISTRICT NO. 1
RUSTON, LOUISIANA
NOTES TO BUDGETARY COMPARISON SCHEDULES
FOR THE YEAR ENDED DECEMBER 31, 2015

The budgets for the funds are proposed by the Director and formally adopted by the Commissioners. The budgets are prepared on a basis consistent with generally accepted accounting principles (GAAP). Budgetary amendments involving the transfer of funds from one function to another or involving increases in expenditures resulting from revenues exceeding amounts estimated require approval of the Commissioners. At year end, all appropriations lapse.

State law requires the District to amend its budgets when revenues plus projected revenues within a fund are expected to fall short from budgeted revenues by five percent or more and when expenditures and other uses of a fund are expected to exceed budgeted amounts by five percent or more.

LINCOLN PARISH FIRE PROTECTION DISTRICT NO. 1
 RUSTON, LOUISIANA
 SUPPLEMENTAL INFORMATION REQUIRED BY GASB NO. 68 - FIREFIGHTERS' RETIREMENT
 FOR THE YEAR ENDED DECEMBER 31, 2015

<u>Schedule of Employer's Share of Net Pension Liability</u>	2015
Employer's proportion of the net pension liability	0.266685%
Employer's proportionate share of the net pension liability	\$ 1,439,331
Employer's covered employee payroll	\$ 517,877
Employer's proportionate share of the net pension liability as a percentage of its covered employee payroll	277.93%
Plan fiduciary net position as a percentage of the total pension liability	72.45%

<u>Schedule of Employer Contributions</u>	2015
Contractually required contribution	\$ 146,024
Contributions in relation to contractually required contribution	\$ 146,024
Contribution deficiency (excess)	\$ -
Employer's covered payroll	\$ 517,877
Contributions as a percentage of covered employee payroll	28.20%

Schedules are intended to show information for 10 years. Additional years will be displayed as they become available.

**OTHER SUPPLEMENTAL INFORMATION -
COMPLIANCE REPORTING**

LINCOLN PARISH FIRE PROTECTION DISTRICT NO. 1
RUSTON, LOUISIANA
SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS
AGENCY HEAD OR CHIEF EXECUTIVE OFFICER
FOR THE YEAR ENDED DECEMBER 31, 2015

	Kevin Reynolds Fire Chief	
<i>Purpose:</i>		
Salary	\$	72,900
Benefits - Insurance		-
Benefits - Retirement		21,665
Benefits - Dental		-
Travel Reimbursements		-
Cell Phone Reimbursements		-
Total	\$	94,565

WILLIAM R. HULSEY

MEMBER
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
SOCIETY OF LOUISIANA
CERTIFIED PUBLIC ACCOUNTANTS

A PROFESSIONAL ACCOUNTING CORPORATION
2205 JUSTICE AVENUE
MONROE, LOUISIANA 71209

william@hulseypac.com
(318) 362-9900
FAX (318) 362-9921

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 Commissioners
Lincoln Parish Fire Protection District No. 1
Ruston, 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 of the Lincoln Parish Fire Protection District No. 1 (the District), as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the Lincoln Parish Fire Protection District No. 1's basic financial statements, and have issued our report thereon dated June 30, 2016.

Internal Control over Financial Reporting

In planning and performing our audits of the financial statements, we considered the Lincoln 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 the Lincoln Parish Fire Protection District No. 1's internal control. Accordingly, we do not express an opinion on the effectiveness of the Lincoln 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

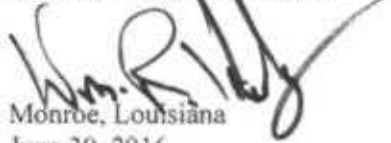
As part of obtaining reasonable assurance about whether the Lincoln Parish Fire Protection District No. 1's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with these 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*.

To the Board of Commissioners
Lincoln Parish Fire Protection District No. 1
Ruston, Louisiana

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.

WILLIAM R. HULSEY (APAC)
Certified Public Accountant



Monroe, Louisiana
June 30, 2016

LINCOLN PARISH FIRE PROTECTION DISTRICT NO. 1
RUSTON, LOUISIANA
SCHEDULE OF FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2015

Board of Commissioners
Lincoln Parish Fire Protection District No. 1
Ruston, Louisiana

1 Summary of Auditor's Results

1. The auditor's report expresses an unmodified opinion on whether the financial statements of the District were prepared in accordance with GAAP.
2. No significant deficiencies were disclosed during the audit of the financial statements and reported in the 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*.
3. No instances of noncompliance material to the financial statements of the District, which would be required to be reported in accordance with *Government Audit Standards*, were disclosed during the audit.

Findings – Financial Statement Audit

None

LINCOLN PARISH FIRE PROTECTION DISTRICT NO. 1
RUSTON, LOUISIANA
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2015

Internal Control and Compliance Material to Federal Awards

There were no findings for this category.

Internal Control and Compliance Material to the Financial Statements

There were no findings for this category.

Management Letter Comments

There were no findings for this category.