

REPORT

WASHINGTON PARISH FIRE PROTECTION DISTRICT NO.9
WASHINGTON PARISH GOVERNMENT
Mt. Hermon, Louisiana

Component Unit Financial Statements
As of and for the Year
Ended December 31, 2012
with Supplemental Information Schedules

Minda B. Raybourn
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**WASHINGTON PARISH FIRE PROTECTION DISTRICT NO. 9
WASHINGTON PARISH GOVERNMENT
Mt. Hermon, Louisiana**

**Component Unit Financial Statements
As of and for the Year Ended December 31, 2012
With Supplemental Information Schedules**

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Minda B. Raybourn

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MEMBER
A.I.C.P.A.

MEMBER
L.C.P.A.

ACCOUNTANT'S COMPILATION REPORT

Board of Commissioners
Washington Parish Fire
Protection District No. 9
Mt. Hermon, Louisiana

I have compiled the accompanying financial statements and supplemental information, contained in schedules I and II, as of and for the year ended December 31, 2012, for the Washington Parish Fire Protection District No. 9, a component unit of the Washington Parish Government, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. I have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

My responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements

The management's discussion and analysis and budgetary comparison information, on pages 2 through 9 and 26 are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. I have compiled the supplementary information from information that is the representation of management, without audit or review. Accordingly, I do not express an opinion or any other form of assurance on the supplementary information.

I am not independent with respect to Washington Parish Fire Protection District No.9.

Minda B. Raybourn
Certified Public Accountant
May 29, 2013

Management's Discussion and Analysis

**WASHINGTON PARISH FIRE PROTECTION DISTRICT #9
WASHINGTON PARISH GOVERNMENT
Mt. Hermon, Louisiana**

Management's Discussion and Analysis

WASHINGTON PARISH FIRE PROTECTION DISTRICT No. 9 is pleased to present its Annual Financial Report developed in compliance with Governmental Accounting Standard Board Statement No. 34, Basic Financial Statements - Management's Discussion and Analysis – For State and Local Governments (hereinafter referred to as GASB 34) and related standards.

The Management's Discussion and Analysis (MD&A) is designed to:

1. assist the reader in focusing on significant financial issues,
2. provide an overview of the District's financial activities,
3. identify changes in the District's overall financial position and results of operations and assist the user in determining whether the financial position has improved or deteriorated as a result of the year's operations,
4. identify any significant variations from the original, amended, and final budget amounts and include any currently known reasons for those variations that are expected to have a significant effect on future services or liquidity, and
5. identify individual fund issues or concerns.

The information contained within this MD&A should be considered only as part of a whole. The reader of this statement should take time to read and evaluate all sections of this report, including the footnotes and other Required Supplemental Information (RSI) that are provided in addition to this MD&A.

Overview of Annual Financial Report

Management's Discussion and Analysis (MD&A) serves as an introduction to the basic financial statements. The District's basic financial statements are comprised of three components: 1) government-wide statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The government –wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to private-sector business. These financial statements are presented using the accrual basis of accounting method.

**WASHINGTON PARISH FIRE PROTECTION DISTRICT #9
WASHINGTON PARISH GOVERNMENT
Mt. Hermon, Louisiana**

Management's Discussion and Analysis

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

The Statement of Activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.

The Statement of Net Position and The Statement of Activities display information about the District as a whole. These statements distinguish between those activities of the District that are governmental and those that are considered business type activities.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District segregates transactions related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. The modified accrual basis of accounting is used by the governmental funds.

Notes to financial statements. The notes to the financial statements provide required disclosure essential to the understanding of the financial statements. The notes present information about the District's accounting policies, significant account balances and activities, commitments, contingencies, and subsequent events, if any. Supplementary information includes a comparative budget schedule.

Financial Highlights

- At December 31, 2012, the District recorded total net position (assets less liabilities) of \$547,900. The largest component of net position was "invested in capital assets, net of related debt" at \$402,061. The District has restricted assets of \$20,090 for debt service and unrestricted net position of \$125,749 available for current activities of the District.
- The most significant continuing revenue source was ad valorem taxes of \$76,067 which is 85.77% of total revenues.
- The District's long-term debt at December 31, 2012 is \$15,000 as compared to long-term debt at December 31, 2012 was \$30,000. The last debt service payment will be in 2013.

**WASHINGTON PARISH FIRE PROTECTION DISTRICT #9
WASHINGTON PARISH GOVERNMENT
Mt. Hermon, Louisiana**

Management's Discussion and Analysis

Financial Analysis

Statement of Net Position

Included below is a condensed Statement of Net Position for the District. The condensed format allows the reader to view the overall financial position of the District. An explanation of the components of this statement is included immediately following the table.

Net Position

	December 31, 2011	December 31, 2012	Dollar Change	Percentage Change
Assets				
Current and Other Assets	\$ 165,386	\$ 148,497	(16,889)	-10.21%
Capital Assets, Net	449,052	417,061	(31,991)	-7.12%
Total Assets	<u>614,438</u>	<u>565,558</u>	<u>(48,880)</u>	<u>-7.96%</u>
Liabilities				
Current Liabilities	17,556	2,658	(14,898)	-84.86%
Long- Term Liabilities	15,000	15,000	-	0.00%
Total Liabilities	<u>32,556</u>	<u>17,658</u>	<u>(14,898)</u>	<u>-45.76%</u>
Net Position				
Invested in Capital Assets				
Net of Related Debt	419,052	402,061	(16,991)	-4.05%
Restricted for Debt	22,074	20,090	(1,984)	-8.99%
Unrestricted	140,756	125,749	(15,007)	-10.66%
Total Net Position	<u>\$ 581,882</u>	<u>\$ 547,900</u>	<u>(33,982)</u>	<u>-5.84%</u>

See page 10 for more detailed Statement of Net Position for the District.

Government-Wide Review of Condensed Statement of Net position

The composition of net position and the change in net position over time serves as a useful indicator of a government's financial position. The District's assets at fiscal year-end exceed liabilities by \$547,900 (net position). Of the District's net position, \$20,090 is Restricted Net Position consisting of cash funds for debt service. The balance of net position includes \$402,061 Invested in Capital Assets, Net of Related Debt, and \$125,749 in Unrestricted Net Position.

**WASHINGTON PARISH FIRE PROTECTION DISTRICT #9
WASHINGTON PARISH GOVERNMENT
Mt. Hermon, Louisiana**

Management's Discussion and Analysis

The Unrestricted Assets totaled \$125,749 or 22.95% of net position. These assets are available to meet the ongoing needs of the District.

The largest category of net position is Invested in Capital Assets, Net of Related Debt, totaling \$402,061 or 73.82% of net position. This category reflects the total invested in assets (land, building, equipments, etc.) net of any related debt used to acquire capital assets. These capital assets are used to provide service to citizens and do not represent assets available for future spending. At the end of the current fiscal year, the District was able to report positive balances in all categories of net position for the government as a whole, as well as for separate governmental activities.

Condensed Statement of Activities

	December 31, 2011	December 31, 2012	Dollar Change	Percentage Change
Program Expenses				
Public safety	\$ 113,659	\$ 122,671	\$ 9,012	7.93%
General Revenues				
Ad valorem tax	71,180	76,067	4,887	6.87%
Donations	500	-	(500)	100%
Other Revenues	16,686	12,622	(4,064)	-24.36%
Total Revenues	<u>88,366</u>	<u>88,689</u>	<u>323</u>	<u>0.37%</u>
Change in Net Position	(25,293)	(33,982)	(8,689)	34.35%
Beginning Net Position	607,175	581,882	(25,293)	-4.17%
Ending Net Position	<u>\$ 581,882</u>	<u>\$ 547,900</u>	<u>(33,982)</u>	<u>-5.84%</u>

See page 11 for more detailed Statement of Net Activities for the District.

Significant categories of the Statement of Activities are noted below:

Ad valorem taxes are the primary source of revenue totaling \$76,067 for the fiscal year ending December 31, 2012, at 85.77% of total revenue. In 2012, the District had an increase in revenues of \$323.

The major expenditure within The Statement of Activities is depreciation expense at \$42,397 (34.56%) and repairs and maintenance of \$29,140 or 23.75% of total expenditures. See page 11 for more detail on The Statement of Activities.

**WASHINGTON PARISH FIRE PROTECTION DISTRICT #9
WASHINGTON PARISH GOVERNMENT
Mt. Hermon, Louisiana**

Management's Discussion and Analysis

Analysis of Fund Financial Statements

Governmental Funds

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

As of December 31, 2012, the District's governmental funds reported a combined ending fund balance of \$145,839, a decrease of \$16,990 in comparison with prior year. Approximately 82.64% of this total (\$120,530) constitutes unassigned fund balance, which is available for spending at the District's discretion. The remainder of the fund balance is restricted to indicate that is not available for new spending because it is already committed for debt service (\$19,551) and is nonspendable for prepaid expenses (\$5,758).

Budgetary Highlight

The District does not have a formal policy on adopting a budget. All appropriations lapse at year-end. The District at regular meeting on January 8, 2012, the District adopted the budget for the year ended December 31, 2012. The budget was amended on October 8, 2012. The District was in compliance with the State Budget Act.

**WASHINGTON PARISH FIRE PROTECTION DISTRICT #9
WASHINGTON PARISH GOVERNMENT
Mt. Hermon, Louisiana**

Management's Discussion and Analysis

Budget vs. Actual – Fiscal Year End December 31, 2012

	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES:			
Ad valorem taxes	\$ 57,000	\$ 60,791	\$ 3,791
State revenue sharing	6,000	10,123	4,123
Insurance rebate	7,000	6,702	(298)
Interest earned	300	88	(212)
Other	5,250	5,000	(250)
Total Revenues	<u>\$ 75,550</u>	<u>\$ 82,704</u>	<u>\$ 7,154</u>
EXPENDITURES:			
Fuel, gas, and oil	\$ 4,000	\$ 3,235	765
Dues and subscriptions	700	425	275
Repairs and maintenance	14,800	29,140	(14,340)
Travel	600	110	490
Depreciation	43,800		43,800
Capital outlay		19,708	(19,708)
Insurance expense	23,300	22,214	1,086
Legal and accounting	2,800	2,600	200
Utilities	6,900	6,848	52
Supplies	1,200	550	650
Office expense	600	775	(175)
Training expense	6,450	8,861	(2,411)
Pension expenses		2,119	(2,119)
Administrative		588	(588)
Total expenditures	<u>105,150</u>	<u>97,173</u>	<u>7,977</u>
EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) EXPENDITURES	(29,600)	(14,469)	15,131
FUND BALANCE, JANUARY 1, 2012	<u>140,757</u>	<u>140,757</u>	<u>-</u>
FUND BALANCE, DECEMBER 31, 2012	<u>\$ 111,157</u>	<u>\$ 126,288</u>	<u>15,131</u>

**WASHINGTON PARISH FIRE PROTECTION DISTRICT #9
WASHINGTON PARISH GOVERNMENT
Mt. Hermon, Louisiana**

Management's Discussion and Analysis

Capital Assets

At the end of the fiscal year December 31, 2012, the Fire District No. 9 had \$417,060 (net of accumulated depreciation) recorded in capital assets. Capital outlays are recorded as expenditures of the General Fund and as assets in the government-wide financial statement. Depreciation is recorded on general fixed assets on a government-wide basis using the straight-line method and the following estimated useful life:

Fire Stations	40 years
Fire Trucks and Other Truck	5-20 years
Equipment	3-10 years

Fixed assets are valued at historical cost or estimated historical cost if actual cost was not available. Donated assets are valued at fair market value on the date donated. The cost of all assets acquired prior to 1989 have been valued using estimated historical cost.

Capital asset activity for the year ended December 31, 2012:

	<u>12/31/11</u>	<u>12/31/12</u>	<u>Dollar Change</u>	<u>Percentage Change</u>
Capital Assets being Depreciation				
Sign	1,400	1,400	-	0.00%
Fire Stations	80,031	99,740	19,709	24.63%
Fire Equipments	428,096	384,318	(43,778)	-10.23%
Office Equipments	12,231	12,231	-	0.00%
Fire Trucks	414,693	414,693	-	0.00%
Total Depreciations Assets	<u>936,451</u>	<u>912,382</u>	<u>(24,069)</u>	<u>-2.57%</u>
Less Accumulated Depreciation	<u>(493,399)</u>	<u>(501,321)</u>	<u>(7,922)</u>	<u>1.61%</u>
Total Capital Assets being Depreciation	443,052	411,061	(31,991)	-7.22%
Land	<u>6,000</u>	<u>6,000</u>	<u>-</u>	<u>0.00%</u>
Total Capital Assets , Net	<u><u>449,052</u></u>	<u><u>417,061</u></u>	<u><u>(31,991)</u></u>	<u><u>-7.12%</u></u>

The District made improvements to buildings in the amount of \$19,709. The District sold a fire truck to Washington Parish Fire District #4 for \$5,000 and donated a pumper to the Village of Montpelier.

**WASHINGTON PARISH FIRE PROTECTION DISTRICT #9
WASHINGTON PARISH GOVERNMENT
Mt. Hermon, Louisiana**

Management's Discussion and Analysis

Long-Term Debt Activity

Long-term obligations are reported in the government-wide statement. In previous years under governmental funds, the Fire District reported long-term debt in the debt service fund.

A schedule of changes in the long-term debt obligation for the Fire District # 9 during 2012:

	Balance January 1, 2012	Additions	Deduction	Balance December 31, 2012
Bonds Payable	<u>30,000</u>	<u> </u>	<u>(15,000)</u>	<u>15,000</u>

Future Economic Plans

The Washington Parish Fire Protection District's management approach is conservative. The Board of Commissioners actively monitor revenues and expenses and evaluate the costs of proposed expansion projects.

FINANCIAL STATEMENTS

STATEMENT A

WASHINGTON PARISH FIRE PROTECTION DISTRICT # 9
WASHINGTON PARISH GOVERNMENT
Mt. Hermon, Louisiana
Statement of Net Position
December 31, 2012

	<u>Governmental Activities</u>
ASSETS:	
Cash and cash equivalents	\$ 68,438
Property tax receivables	74,301
Prepaid insurance	5,758
Capital assets	
Land	6,000
Building, trucks, and equipment	912,380
Less accumulated depreciation	<u>(501,319)</u>
Capital assets , net	<u>417,061</u>
Total Assets	<u>565,558</u>
LIABILITIES:	
Pension deduction	2,658
Long-term debt due in one year	15,000
Long-term debt due more than one year	-
Total Liabilities	<u>17,658</u>
Net Position	
Invested in capital assets, net of related debt	402,061
Restricted for Debt	20,090
Unrestricted	125,749
Total Net Position	<u><u>\$ 547,900</u></u>

See accountant's compilation report and accompanying notes to the financial statements.

STATEMENT B

WASHINGTON PARISH GOVERNMENT
Mt. Hermon, Louisiana
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2012

Program Expenses:**Public Safety**

Fuel, gas, and oil	\$ 3,235
Dues and subscriptions	425
Repairs and maintenance	29,140
Travel	110
Depreciation expense	42,397
Insurance expense	22,214
Legal and accounting	2,600
Utilities	6,848
Supplies	550
Office expense	775
Training expense	8,861
Pension expense	2,657
Administrative expense	1,588
Interest expense	1,271
Total Programs Expenses	\$ 122,671

General Revenues:

Ad valorem taxes	\$ 76,067
State revenue sharing	10,123
Insurance rebate	6,702
Interest earned	100
Loss on sale of equipment	(4,303)
Total General revenues	88,689

Change Net Position (33,982)

Net Position Beginning of the Year 581,882

Net Position End of the Year \$ 547,900

See accountant's compilation report and accompanying notes to financial statements.

WASHINGTON PARISH FIRE PROTECTION DISTRICT NO. 9
WASHINGTON PARISH GOVERNMENT
Mt. Hermon, Louisiana
Balance Sheet
Governmental Funds
December 31, 2012

	General Fund	Debt Service Fund	Total Governmental Funds
ASSETS:			
Cash and cash equivalents	\$ 63,404	\$ 5,034	\$ 68,438
Receivables	59,245	15,056	74,301
Prepaid Insurance	5,758		5,758
TOTAL ASSETS	\$128,407	\$ 20,090	\$ 148,497
 LIABILITIES AND EQUITY			
LIABILITIES:			
Pension deduction	2,119	539	2,658
Total Liabilities	2,119	539	2,658
 EQUITY			
Restricted Fund Balance	-	19,551	19,551
Nonspendable	5,758		5,758
Unassigned Fund balance	120,530	-	120,530
Total Equity	126,288	19,551	145,839
TOTAL LIABILITIES AND EQUITY	\$128,407	\$ 20,090	\$ 148,497

See accountant's compilation report and accompanying notes to the financial statements.

**WASHINGTON PARISH FIRE PROTECTION DISTRICT # 9
WASHINGTON PARISH GOVERNMENT
Mt. Hermon, Louisiana**

**Reconciliation of the Governmental Fund Balance Sheet
to the Government-Wide Financial Statement of Net Position
December 31, 2012**

Amounts reported for governmental activities in the Statement of Net Assets are different because:

Fund Balances, Total Governmental Funds (Statement C)	\$	145,839
<p>Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.</p>		
Governmental capital assets net of depreciation		417,061
<p>Long-term liabilities and current bonds payable are not reported in the governmental funds.</p>		
Long-term liabilities		<u>(15,000)</u>
Net Position of Governmental Activities (Statement A)	\$	<u><u>547,900</u></u>

See accountant's compilation report and notes to the financial statement.

STATEMENT E

WASHINGTON PARISH FIRE PROTECTION DISTRICT NO. 9
WASHINGTON PARISH GOVERNMENT
Mt. Hermon, Louisiana

Statement of Revenues, Expenditures
and Changes in Fund Balance
Governmental Funds
For the Year Ended December 31, 2012

	General	Debt Service	Total
Revenues:			
Ad valorem taxes	\$ 60,791	\$ 15,277	\$ 76,068
State revenue sharing	10,123		10,123
Insurance rebate	6,702		6,702
Interest earned	88	11	99
Total Revenues	77,704	15,288	92,992
Expenditures:			
Fuel, gas, and oil	3,235		3,235
Dues and subscriptions	425		425
Repairs and maintenance	29,140		29,140
Travel	110		110
Capital outlay	19,708		19,708
Insurance expense	22,214		22,214
Legal and accounting	2,600		2,600
Utilities	6,848		6,848
Supplies	550		550
Office expense	775		775
Training expense	8,861		8,861
Pension expenses	2,119	538	2,657
Administrative expense	588	1,000	1,588
Debt service:			
Principal retirement		15,000	15,000
Interest		1,271	1,271
Miscellaneous			-
Total expenditures	97,173	17,809	114,982
Excess of revenue over (under) expenditures	(19,469)	(2,521)	(21,990)
Other Financing Sources (Uses)			
Sale of capital asset	5,000	-	5,000
Net change in fund balances	(14,469)	(2,521)	(16,990)
Fund balance, January 1, 2012	140,757	22,072	162,829
Fund balance, December 31, 2012	\$ 126,288	\$ 19,551	\$ 145,839

See accountant's compilation report and accompanying notes to the financial statements.

Schedule F **WASHINGTON PARISH FIRE PROTECTION DISTRICT NO. 9**
Mt. Hermon, Louisiana

**Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
The Statement of Activities
For the Year Ended December 31,2012**

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

Net Change in Fund Balances, Total Governmental Funds (Statement E) \$ (16,990)

Governmental funds report capital outlay as expenditures. However, in the statement of activities the costs of assets are allocated over their estimated useful lives and reported as depreciation in the current period.

Expenditures for capital outlay	19,708	
Less current depreciation	(42,397)	
Less book value of assets disposed	(9,303)	(31,992)

Repayment of long term debt principle is an expenditure in governmental funds but the payment reduces long-term liabilities in the statement of net assets. 15,000

Change in net position of governmental activities, (Statement B) \$ (33,982)

See accountant's compilation report and notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

WASHINGTON PARISH FIRE PROTECTION DISTRICT NO. 9
WASHINGTON PARISH GOVERNMENT
Mt. Hermon, Louisiana
Notes to the Financial Statements
For the Year Ended December 31, 2012

INTRODUCTION

The 1991 Louisiana Legislature, pursuant to Louisiana Revised statute 40:1491, created the Washington Parish Fire Protection Districts. Washington Parish Fire Protection District No. 9 was created by an ordinance adopted on July 24, 1995, by the Washington Parish Police Jury. The District shall constitute a public corporation and as such shall have all the powers of public corporations, including perpetual existence and the right and power to incur debt and contract obligations, to sue and be sued, and to have a corporate seal. The District shall also be authorized to do and perform all acts in its corporate capacity and in its name, necessary and proper, for the purposes of acquiring, maintaining and operating buildings, machinery, equipment, water tanks, water hydrants, water lines, and such other things as might be necessary or proper for effective fire prevention and control as considered necessary by the parish governing body of the District for the protection of the property within the limits of the District against fire.

The governing body of the parish shall appoint a five member board that shall perform all duties, functions, and powers responsible for the operation and maintenance of the District. All funds of the District shall be administered by the board of commissioners. The board of commission members may be paid a per diem of fifty dollars for attending meetings of the board, and may be reimbursed any expenses incurred in performing the duties imposed upon them.

The District covers 53.7 square miles in the northwestern corner of Washington Parish. It serves approximately 1,800 people and businesses located within the boundaries of the District. The District operates out of three fire stations which are located as follows: Station No. 1 on Louisiana Highway 1055 east of intersection with Louisiana Highway 38, Station No. 2 on Martin Road northeast of intersection with Louisiana Highway 450 and Station No. 3 on Esco Alford Road. The District has no compensated employees and operates with a volunteer staff of firefighters.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING AND FINANCIAL STATEMENT

The District's financial statements are prepared on the modified accrual basis in accordance with accounting principles generally accepted in the United States of America. The District applies all Governmental Accounting Standards Board (GASB) pronouncements as well as Financial Accounting Standards Board (FASB) statements and interpretations, and the Accounting Principle Board (APB) of the Committee on Accounting Procedures, Issued on or before November 1989, unless those pronouncements conflict or contradict with GASB pronouncements.

These financial statements are presented in conformance with GASB Statement No.34, *Basic Financial Statements, Management's Discussion and Analysis, for State and Local Governments*. Statement No. 34 established standards for financial reporting, with presentation requirements including a statement of net assets (or balance sheet), a statement of activities and change in net assets, and a statement of cash flows.

WASHINGTON PARISH FIRE PROTECTION DISTRICT NO. 9
WASHINGTON PARISH GOVERNMENT
Mt. Hermon, Louisiana

Notes to the Financial Statements (Continued)
For the Year Ended December 31, 2012

B. REPORTING ENTITY

As the governing authority of the parish, for reporting purposes, the Washington Parish Government is the financial reporting entity for Washington Parish. The financial reporting entity consists of (a) the primary government, Parish Council, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the Washington Parish Government for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the Parish Council to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the Parish Council.
2. Organizations for which the Parish Council does not appoint a voting majority but are fiscally dependent on the Parish Council.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Because the Parish Council appoints a voting majority of the District's governing board and the Parish Council has the ability to impose its will on the District, the District was determined to be a component unit of the Washington Parish Government, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the District and do not present information on the parish government, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

**WASHINGTON PARISH FIRE PROTECTION DISTRICT NO. 9
WASHINGTON PARISH GOVERNMENT**

**Mt. Hermon, Louisiana
Notes to the Financial Statements (Continued)
For the Year Ended December 31, 2012**

C. FUND ACCOUNTING

The District maintains its financial records on a fund basis, whereby a self-balancing set of accounts (Governmental Fund) is maintained that comprises its assets, liabilities, fund equity, revenues, and expenses. The general fund of the District accounts for all financial resources, except those required to be accounted for in other funds.

D. BASIS OF ACCOUNTING

The accompanying financial statements of the Washington Parish Fire Protection District No. 9 have been prepared in conformity with generally accepted accounting principles of the United State of America (GAAP) as applied to government units. The accompanying financial statements have been prepared in conformity with Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements, Management's Discussion and Analysis, for State and Local Governments*. Under GASB-34, a statement of net assets and statement of activities are prepared which are presented on the accrual basis of accounting. The significant differences are capital outlay is reported as an asset and depreciated in the government-wide statement. Also long term obligations are recorded as liabilities. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, effective for financial statement periods ending after December 15, 2012, provides guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position and related disclosures. Concepts Statement No. 4, *Elements of Financial Statements*, introduced and defined Deferred Outflows of Resources as a consumption of net assets by the government that is applicable to a future reporting period, and Deferred Inflows of Resources as an acquisition of net assets by the government that is applicable to a future reporting period, respectively. Previous financial reporting standards do not include guidance for reporting those financial statement elements, which are distinct from assets and liabilities. GASB Concepts Statement 4 identifies net position as the residual of all other elements presented in a statement of financial position. This Statement amends the net asset reporting requirements in Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, and other pronouncements by incorporating deferred outflows of resources and deferred inflows of resources into the definitions of the required components of the residual measure and by renaming that measure as net position, rather than net assets.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. With this measurement of focus, only current assets and current liabilities generally are included on the balance sheet in the fund statements. Long term assets and long term liabilities are included in the government-wide statements.

WASHINGTON PARISH FIRE PROTECTION DISTRICT NO. 9
WASHINGTON PARISH GOVERNMENT
Mt. Hermon, Louisiana

Notes to the Financial Statements (Continued)
For the Year Ended December 31, 2012

Operating statements of governmental funds present increases (revenues), other financing sources, decreases (expenditures), and other financing uses are included in current assets.

The government-wide statement of net position and statement of activities are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with operation of these activities are included on the statement of net assets.

The statement of net position and statement of activities are presented on the accrual basis of accounting. Under this method of accounting exchange, revenues are recognized when earned and expenses are recorded when liabilities are incurred without regard to receipt or disbursement of cash.

The modified accrual basis of accounting is used by the governmental funds. The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets. Effective for financial statements issued after June 30, 2000, GASB Statement 33, Accounting and Financial reporting for non-exchange transactions, defines a non-exchange transaction as a transaction whereby the government gives or receives value without directly receiving or giving equal value in return. Property taxes are imposed non-exchange revenues which result from assessments imposed on nongovernmental entities including individuals. Assets should be recognized when the government has an enforceable lien or legal claim to the resources, or the resources are received, whichever occurs first. Property tax revenues are recognized in the period when the district has a legal claim to the resources. However, for revenue to be recognized under the modified accrual basis, the measurable and available criteria must also be met. Governmental funds use the following practices in recording revenues and expenditures:

Revenues

Revenues are recognized in the accounting period they become available and measurable. Donations, fund raising net revenues and state revenue sharing is recorded when received. Ad valorem taxes become a lien against the assessed property on assessment date or levy date. Property taxes collected by the taxing authority, but not remitted to the District at year-end, are accrued in revenue and included in property tax receivable.

Expenditures

Expenditures are recognized in the accounting period when the fund liability is incurred.

WASHINGTON PARISH FIRE PROTECTION DISTRICT NO. 9
WASHINGTON PARISH GOVERNMENT
Mt. Hermon, Louisiana
Notes to the Financial Statements (Continued)
For the Year Ended December 31, 2012

E. BUDGETS

The District does not have a formal policy on adopting a budget. All appropriations lapse at year-end. The District at its regular meeting on January 9, 2012, adopted the budget for the year ended December 31, 2012. The 2012 budget was amended October 8, 2012. The District was in compliance with the Local Government Budget Act.

F. ENCUMBRANCES

The District does not use encumbrance accounting.

G. CASH AND CASH EQUIVALENTS

Cash includes amounts in demand deposits and interest bearing demand deposits. Under state law, the District may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

H. PREPAID ITEMS

The District uses the allocation method of recording prepaid expenses.

I. CAPITAL ASSETS

Capital assets are recorded as expenditures at the time purchased or constructed. All capital assets are valued at historical cost or estimated historical cost. Donated assets are valued at fair market value on the date donated. The cost of all assets acquired prior to 1989 have been valued using estimated historical cost.

Fire Stations	40 Years
Fire Trucks and Other Trucks	5-20 Years
Equipment, Furniture and Fixtures	3-10 Years

J. COMPENSATED ABSENCES

The District does not have any paid employees; therefore, it does not have a formal leave policy.

K. LONG-TERM OBLIGATIONS

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

WASHINGTON PARISH FIRE PROTECTION DISTRICT NO. 9
WASHINGTON PARISH GOVERNMENT
Mt. Hermon, Louisiana
Notes to the Financial Statements (Continued)
For the Year Ended December 31, 2012

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

L. EQUITY-GOVERNMENT WIDE FINANCIAL STATEMENTS

GASB Statement No. 34, *Basic Financial Statements, Management's Discussion and Analysis, for State and Local Governments*, required reclassification of net assets into three separate components. GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, revised the terminology by incorporating deferred outflows of resources and deferred inflows of resources into the definitions of the required components of the residual measure and by renaming that measure as net position, rather than net assets. GASB Statement No. 63 requires the following components of net position:

- Invested in capital assets, net of related debt – This component of net assets consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds or indebtedness attributable to acquisition, construction, or improvement of those assets. If there are significant unspent proceeds at year-end, the portion of the debt attributable to unspent proceeds is not included in the calculation of invested in capital assets, net of related debt. Rather, that portion of the debt is included in the same net asset calculation as unspent proceeds.
- Restricted – this component of net assets consists of constraints placed on the asset use through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, or law or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.
- Unrestricted – This component of net assets consists of net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

WASHINGTON PARISH FIRE PROTECTION DISTRICT NO. 9
WASHINGTON PARISH GOVERNMENT
Mt. Hermon, Louisiana
Notes to the Financial Statements (Continued)
For the Year Ended December 31, 2012

M. FUND BALANCE-GOVERNMENTAL FINANCIAL STATEMENTS

In the fund financial statements, governmental fund equity is classified as fund balance. The Village adopted GASB 54 for the year ended December 31, 2012. Governmental funds are classified as follows:

- **Nonspendable** -These are amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.
- **Restricted** -These are amounts that can be spent only for specific purpose because of constitutional provisions, enabling legislation, or externally imposed constraints by creditors, grantor, contributors or the laws or regulations of other governments.
- **Committed** -These are amounts that can be used for specific purpose determined by a formal decision by the Board Members, which are the highest level of decision-making authority for the Village.
- **Assigned** -These are amounts that do not meet the criteria to be classified as restricted or committed, but that are intended to be used for specific purpose.
- **Unassigned** -These are all other spendable amounts.

NOTE 2 - LEVIED TAXES

On November 18, 1995, the District offered two tax propositions to the voters of the District for funding fire protection. A 16 mill tax for the purpose of acquiring, constructing, improving, maintaining and/or operating fire protection facilities and equipment in and for the District, and paying the cost of obtaining water for fire protection purposes for a period of 10 years beginning 1996 and ending with the year 2005 was passed by voters of the District. This proposition was renewed by the voters of the District on April 17, 2004. For the period covered by these financial statements, the millage was set at 19.74 mills.

**WASHINGTON PARISH FIRE PROTECTION DISTRICT NO. 9
WASHINGTON PARISH GOVERNMENT
Mt. Hermon, Louisiana**

**Notes to the Financial Statements (Continued)
For the Year Ended December 31, 2012**

Also, a proposition to issue general obligation bonds in the amount of \$225,000. to run 20 years for the purpose of acquiring, constructing and improving buildings, machinery and equipment, including both real and personal property, payable from ad valorem taxes to be levied and collected in the manner provided by Article VI, Section 33 of the Constitution of the State of Louisiana of 1974 was passed by the voters of the District. In 2007, The District reduced the millage for debt service from 10 mills to 4 mills which is reported in this period financial statements.

2012 Assessed property value		\$	6,981,110
Homestead Exemption			(3,040,755)
Taxable Value		\$	3,940,355
Total Tax		\$	137,808
Homestead Value			(60,025)
Taxable Value		\$	77,783

NOTE 3 - CASH AND CASH EQUIVALENTS

At December 31, 2012, the District has cash and cash equivalents totaling \$68,438 in interest bearing demand deposits.

These 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 to be held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

At December 31, 2012, the District had \$68,738 in deposits (collected bank balances, including certificates of deposit). These deposits were secured from risk by \$250,000 of federal deposit insurance.

**WASHINGTON PARISH FIRE PROTECTION DISTRICT NO. 9
WASHINGTON PARISH GOVERNMENT
Mt. Hermon, Louisiana**

Notes to the Financial Statements (Continued)

NOTE 4 – RECEIVABLES

The following is a summary of receivables at December 31, 2012:

Class of Receivables	Ad valorem Tax
General Fund	\$ 59,245
Debt Service Fund	15,056
	\$ 74,301

NOTE 5 - CAPITAL ASSETS

Capital Activity for the year ended December 31, 2012:

	Balance January 1, 2012	Additions	Deductions	Balance December 31 , 2012
Capital Assets being Depreciation				
Sign	1,400	-	-	1,400
Fire Stations	80,031	19,709	-	99,740
Fire Equipments	428,096	-	(43,778)	384,318
Office Equipments	12,231	-	-	12,231
Fire Trucks	414,693	-	-	414,693
Total Depreciations Assets	936,451	19,709	(43,778)	912,382
Less Accumulated Depreciation	(493,399)	(42,397)	34,475	(501,321)
Total Capital Assets being Depreciation	443,052	(22,688)	(9,303)	411,061
Land	6,000	-	-	6,000
Total Capital Assets , Net	449,052	(22,688)	(9,303)	417,061

NOTE 6 - LONG-TERM DEBT

The following is a summary of the long-term obligation transactions during the year.

	Balance January 1, 2012	Additions	Deduction	Balance December 31, 2012	Amount due in One Year
Bonds Payable	30,000		(15,000)	15,000	15,000

**WASHINGTON PARISH FIRE PROTECTION DISTRICT NO. 9
WASHINGTON PARISH GOVERNMENT
Mt. Hermon, Louisiana**

**Notes to the Financial Statements (Continued)
For the Year Ended December 31, 2012**

General obligation bonds are comprised of the following issue: on November 18, 1995, the voters of Washington Parish Fire Protection District No. 9 passed a proposition for the issuance of \$225,000 of General Obligation Bonds for the purpose of acquiring, constructing, and improving buildings, machinery, and equipment, including both real and personal property, to be used in giving fire protection to the property of the District, title to which shall be in the public, said bonds to be payable from ad valorem taxes. The interest rate over the 20 years of the offering varies from 10.0% to 4.7% resulting in a net yield of 5.6591468% (at par). The District is bound under the terms and provisions of the law and the resolution to impose and collect annually a special ad valorem tax on all the property subject to taxation within the territorial limits of the District, sufficient to pay the principal of and interest and redemption premium, on the Bonds falling due each year. A principal and interest payment is due each March 1 and an interest only payment is due September 1.

The annual sinking fund requirements to amortize all bonds and/or certificates outstanding at December 31, 2012, including interest of \$848 are as follows:

Year Ending	General Obligation Principle	General Obligation Interest	General Obligation Payments
2013	15,000	848	\$ -
	\$ 15,000	\$ 848	\$ 15,848

NOTE 7 - FUND BALANCE – GOVERNMENTAL FUNDS

The restricted fund balance of \$19,551 is set aside for bond payments to Whitney Bank for two tanker trucks. The unassigned fund balance of \$120,536 is available for current activities. Non spendable fund balance is for prepaid insurance of \$5,758.

NOTE 8- LITIGATION AND CLAIMS

As of December 31, 2012, the District was not involved in any outstanding litigation or claims.

NOTE 9 - RELATED PARTY TRANSACTIONS

There were no related party transactions requiring disclosure in the financial statements.

NOTE 10 – SUBSEQUENT EVENTS

There were no subsequent events requiring disclosure in the financial statements.

REQUIRED SUPPLEMENTAL INFORMATION (PART I)

WASHINGTON PARISH FIRE PROTECTION DISTRICT NO. 9
WASHINGTON PARISH GOVERNMENT
Mt. Hermon, Louisiana
Budgetary Comparison Schedule
General Fund
For the Year Ended December 31, 2012

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES:				
Ad valorem taxes	\$ 60,000	\$ 57,000	\$ 60,791	\$ 3,791
State revenue sharing	10,000	6,000	10,123	4,123
Insurance rebate	7,000	7,000	6,702	(298)
Interest earned	300	300	88	(212)
Other	750	5,250	5,000	(250)
Total Revenues	<u>\$ 78,050</u>	<u>\$ 75,550</u>	<u>\$ 82,704</u>	<u>\$ 7,154</u>
EXPENDITURES:				
Fuel, gas, and oil	\$ 6,000	\$ 4,000	\$ 3,235	\$ 765
Dues and subscriptions	700	700	425	275
Repairs and maintenance	13,000	14,800	29,140	(14,340)
Travel	600	600	110	490
Depreciation	63,600	43,800		43,800
Capital outlay	-		19,708	(19,708)
Insurance expense	21,600	23,300	22,214	1,086
Legal and accounting	2,800	2,800	2,600	200
Utilities	6,900	6,900	6,848	52
Supplies	1,200	1,200	550	650
Office expense	600	600	775	(175)
Training expense	1,000	6,450	8,861	(2,411)
Pension expenses	-		2,119	(2,119)
Administrative	-		588	(588)
Total expenditures	<u>\$ 118,000</u>	<u>105,150</u>	<u>\$ 97,173</u>	<u>\$ 7,977</u>
EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) EXPENDITURES	(39,950)	(29,600)	(14,469)	15,131
FUND BALANCE, JANUARY 1, 2012	<u>140,757</u>	<u>140,757</u>	<u>140,757</u>	<u>-</u>
FUND BALANCE, DECEMBER 31, 2012	<u>\$ 100,807</u>	<u>\$ 111,157</u>	<u>\$ 126,288</u>	<u>\$ 15,131</u>

See accountant's compilation report.

OTHER SUPPLEMENTAL INFORMATION

Schedule II

WASHINGTON PARISH FIRE PROTECTION DISTRICT NO. 9
WASHINGTON PARISH GOVERNMENT
Mt. Hermon, Louisiana

SCHEDULE OF BOARD MEMBER
For the Year Ended December 31, 2012

<u>Name and Title/ Contract Number</u>	<u>Address</u>
Gary L. Fenner, Secretary/Treasurer (985) 877-5058	35483 Dock Bulter Road, Mount Hermon 70450
George T. Burch (985) 877-4572	35357 Hwy. 38, Mount Hermon 70450
Colston Martin (985) 877-9923	39235 Martin Road, Mount Hermon 70450
Walter W. Smith, Vice-Chairman (985) 877-4730	30157 Hwy. 1055, Mount Hermon 70450
Russell Passman, Chairman (985) 877-5504	28218 Woody Booty Road, Mount Hermon 70450

There was no compensation paid to board members during the year.

This disclosure is made in compliance with House concurrent resolution Number 54 of the 1979 Session of the Louisiana legislative.

See accountant's compilation report.