

**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, 2019
With Supplemental Information Schedules**

Minda B. Raybourn
Certified Public Accountant
Limited Liability Company
820 11TH AVENUE
FRANKLINTON, LOUISIANA 70438

**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, 2019
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.

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

Management is responsible for the accompanying financial statements of the governmental activities of the Washington Parish Fire Protection District No. 9, a component unit of the Washington Parish Government, as of and for the year ended December 31, 2019, and related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents, in accordance with accounting principles generally accepted in the United States of America. I have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. I did not audit or review the financial statements nor was I required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, I do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

Accounting principles generally accepted in the United States of America require management's discussion and analysis and the budgetary comparison on pages 3 through 11 and page 31 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. This information is the representation of management. This information was subject to my compilation engagement; however, I have not audited or reviewed the required supplementary information and, accordingly, do not express an opinion, a conclusion, nor provide any form of assurance on such information.

The supplementary information contained in the Other-Supplemental Information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. The supplementary information has been compiled from information that is the representation of management. I have not audited or reviewed the supplementary information and, accordingly, do not express an opinion or provide any assurance on such supplementary information.

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

Minda Raybourn

Minda B. Raybourn
Certified Public Accountant
June 25, 2020

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 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.

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 net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The Statement of Activities presents information showing how the District's net position changed during the most recent fiscal year. All 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.

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

Management's Discussion and Analysis

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, 2019, the District recorded total net position (assets less liabilities) of \$459,941. The largest component of net position was "invested in capital assets, net of related debt" at \$275,165. The District has unrestricted net position of \$124,210 available for current activities of the District. The District has restricted net position of \$60,566 available for capital purchases.
- Total net position of the District decreased \$7,963.
- The most significant continuing revenue source was ad valorem taxes of \$92,580 which is 83% of total revenues.
- Expenditures for the year were \$120,124. This amount included \$40,085 in depreciation expense.
- The District's paid \$11,982 on the principal for a capital lease obligation.

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, 2018	December 31, 2019	Dollar Change	Percentage Change
Assets				
Current and Other Assets	\$ 181,903	\$ 195,899	13,996	7.69%
Capital Assets, Net	340,643	300,558	(40,085)	-11.77%
Total Assets	518,720	496,457	(26,089)	-5.03%
Liabilities				
Current Liabilities	15,080	15,727	647	4.29%
Long- Term Liabilities	25,393	12,940	(12,453)	-49.04%
Total Liabilities	51,853	28,667	(11,806)	-22.77%
Deferred Inflows of Resources	14,169	7,849	(6,320)	-44.61%
Net Position				
Invested in Capital Assets				
Net of Related Debt	303,268	275,165	(28,103)	-9.27%
Restricted	60,559	60,566	7	0.01%
Unrestricted	104,077	124,210	20,133	19.34%
Total Net Position	\$ 467,904	\$ 459,941	(7,963)	-1.70%

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 \$459,941 (net position). The balance of net position includes \$275,165 Invested in Capital Assets, Net of Related Debt, \$60,566 in Restricted Net Position, and \$124,210 in Unrestricted Net Position.

The Unrestricted Net Position totaled \$124,210 or 27% of net position. These assets are available to meet the ongoing needs of the District. The Restricted Net Position total is \$60,566 or 13% of net position. These assets are restricted for capital purchases.

The largest category of net position is Invested in Capital Assets, Net of Related Debt, totaling \$275,165 or 60% of net position. This category reflects the total invested in assets (land, building, equipment, etc.) net of any related debt used to acquire capital assets. These capital assets are used

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

Management's Discussion and Analysis

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.

See page 13 for more detailed Statement of Net Position for the District.

Statement of Activities:

Significant categories of the Statement of Activities are noted below:

Condensed Statement of Activities

	December 31, 2018	December 31, 2019	Dollar Change	Percentage Change
Program Expenses				
Public safety	\$ 104,570	\$ 120,124	\$ 15,554	14.87%
General Revenues				
Ad valorem tax	85,326	92,580	7,254	8.50%
Other Revenues	20,281	19,581	(700)	-3.45%
Total Revenues	105,607	112,161	6,554	6.21%
Change in Net Position	1,037	(7,963)	(9,000)	-867.89%
Beginning Net Position	466,867	467,904	1,037	0.22%
Ending Net Position	\$ 467,904	\$ 459,941	(7,963)	-1.70%

Ad valorem taxes are the primary source of revenue totaling \$92,580 for the fiscal year ending December 31, 2019, at 83% of total revenue. In 2018, the District had ad valorem tax revenue of \$85,326.

The major expenditures within The Statement of Activities is depreciation expense at \$40,085 (33%) and insurance of \$24,762 (21%) of total expenditures.

See page 14 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, 2019, the District's governmental funds reported a combined ending fund balance of \$184,776, an increase of \$20,140 in comparison with prior year. Approximately 64% of this total (\$118,096) 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 non-spendable for prepaid expenses (\$6,114) or committed for capital purchases (\$60,566).

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

Management's Discussion and Analysis

Budgetary Highlight

The District does have a formal policy on adopting a budget. All appropriations lapse at year-end. The District adopted an original budget and an amended budget for 2019. The District was within the 5% limit of the Local Government Budget Act.

Budget vs. Actual – Fiscal Year End December 31, 2019

	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES:			
Ad valorem taxes	\$ 81,350	\$ 92,580	\$ 11,230
State revenue sharing	9,550	9,692	142
Insurance rebate	8,100	7,556	(544)
Interest earned	480	56	(424)
FEMA reimbursement	-	-	-
Other	5,763	2,277	(3,486)
Total Revenues	<u>\$ 105,243</u>	<u>\$ 112,161</u>	<u>\$ 6,918</u>
EXPENDITURES:			
Fuel, gas, and oil	\$ 1,800	\$ 1,571	\$ 229
Dues and subscriptions	350	-	350
Repairs and maintenance	6,000	17,538	(11,538)
Travel	-	2,057	(2,057)
Advertising	-	522	(522)
Depreciation	-	-	-
Capital outlay	29,365	-	29,365
Emergency reserve	12,000	-	12,000
Insurance expense	24,000	24,762	(762)
Legal and accounting	5,220	4,550	670
Election expense	-	-	-
Miscellaneous	1,200		
Utilities	8,680	7,782	898
Supplies	1,346	13,841	(12,495)
Office expense	600	432	168
Training expense	2,400	2,244	156
Pension expenses	-	3,275	(3,275)
Principal payment	11,982	11,982	-
Interest expense	-	1,465	(1,465)
Administrative	300	-	300
Total expenditures	<u>105,243</u>	<u>\$ 92,021</u>	<u>\$ 12,022</u>
Net change in fund balance	-	20,140	18,940
FUND BALANCE, JANUARY 1, 2019	<u>164,636</u>	<u>164,636</u>	<u>-</u>
FUND BALANCE, DECEMBER 31, 2019	<u>\$ 164,636</u>	<u>\$ 184,776</u>	<u>\$ 18,940</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, 2019, the Fire District No. 9 had \$300,558 (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, 2019:

	<u>12/31/2018</u>	<u>12/31/2019</u>	<u>Dollar Change</u>	<u>Percentage Change</u>
Capital Assets being Depreciated				
Sign	1,400	1,400	-	0%
Fire Stations	102,218	102,218	-	0%
Fire Equipment	349,200	349,200	-	0%
Office Equipment	8,660	8,660	-	0%
Fire Trucks	405,432	405,432	-	0%
Total Depreciable Assets	866,910	866,910	-	0%
Less Accumulated Depreciation	(548,977)	(589,062)	(40,085)	7%
Total Capital Assets being Depreciated	317,933	277,848	(40,085)	-13%
Land	22,710	22,710	-	0%
Total Capital Assets , Net	<u>340,643</u>	<u>300,558</u>	<u>(40,085)</u>	-12%

The District recorded depreciation at \$40,085. The District purchased no new assets. No assets were disposed during the year.

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

Management's Discussion and Analysis

Lease Obligations

On July 11, 2016, the District entered in a municipal lease purchase agreement for \$60,000 to purchase a 2004 Ferrara pumper truck. The interest rate is 3.921%. The lease term is for five years. The first lease payment was due on August 23, 2017. The last payment will be paid on August 23, 2021. The following table summarizes the outstanding obligation:

	December 31, <u>2018</u>	<u>Additions</u>	<u>Payments</u>	December 31, <u>2019</u>
Capital lease obligation	<u>37,376</u>	<u>-</u>	<u>11,982</u>	<u>25,394</u>

Future Economic Plans

The Washington Parish Fire Protection District's management approach is conservative. The Board of Commissioners actively monitors 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, 2019

	<u>Governmental Activities</u>
ASSETS:	
Cash and cash equivalents	30,528
Restricted cash	60,566
Property tax receivables	95,434
Due from other government	3,258
Prepaid insurance	6,114
Capital assets	
Land	22,710
Building, trucks, and equipment	866,910
Less accumulated depreciation	<u>(589,062)</u>
Capital assets, net	<u>300,558</u>
Total Assets	<u>496,457</u>
LIABILITIES:	
Pension deduction	3,275
Lease Payment due with in one year	12,452
Lease Payment-due in more than one year	12,940
Total Liabilities	<u>28,667</u>
DEFERRED INFLOWS OF RESOURCES	
Property taxes	<u>7,849</u>
Net Position	
Invested in capital assets, net of related debt	275,165
Restricted	60,566
Unrestricted	124,210
Total Net Position	<u><u>\$ 459,941</u></u>

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

STATEMENT B

WASHINGTON PARISH FIRE PROTECTION DISTRICT #9
WASHINGTON PARISH GOVERNMENT
Mt. Hermon, Louisiana
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2019

Program Expenses:**Public Safety**

Fuel, gas, and oil	\$ 1,571
Dues and subscriptions	-
Repairs and maintenance	17,538
Travel	2,057
Depreciation expense	40,085
Advertising	522
Insurance expense	24,762
Legal and accounting	4,550
Utilities	7,782
Supplies	13,841
Office expense	432
Training expense	2,244
Pension expense	3,275
Administrative expense	-
Interest expense	1,465
Total Programs Expenses	\$ 120,124

General Revenues:

Ad valorem taxes	\$ 92,580
State revenue sharing	9,692
Insurance rebate	7,556
Other Income	2,277
Interest earned	56
Total General revenues	112,161

Change Net Position (7,963)

Net Position Beginning of the Year 467,904

Net Position End of the Year \$ 459,941

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

STATEMENT C

WASHINGTON PARISH FIRE PROTECTION DISTRICT NO. 9

WASHINGTON PARISH GOVERNMENT

Mt. Hermon, Louisiana

Balance Sheet

Governmental Funds

December 31, 2019

	General Fund
ASSETS:	
Cash and cash equivalents	\$ 30,528
Restricted Cash	60,566
Receivables	95,434
Due from other Government	3,258
Prepaid Insurance	6,114
TOTAL ASSETS	\$ 195,899
LIABILITIES AND EQUITY	
LIABILITIES:	
Pension deduction	3,275
Total Liabilities	3,275
DEFERRED INFLOWS OF RESOURCES	
Property taxes	7,849
EQUITY	
Committed	60,566
Nonspendable	6,114
Unassigned Fund balance	118,096
Total Equity	184,776
TOTAL LIABILITIES AND EQUITY	\$ 188,051

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

STATEMENT D

**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, 2019**

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

Fund Balances, Total Governmental Funds (Statement C)	\$ 184,776
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	
Governmental capital assets net of depreciation	300,558
Long term liabilities are not due and payable in the current period and therefore are not reported in the funds.	
Capital lease obligations	(25,392)
Net Position of Governmental Activities (Statement A)	\$ <u>459,941</u>

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

WASHINGTON PARISH FIRE PROTECTION DISTRICT NO. 9
WASHINGTON PARISH GOVERNMENT
Mt. Hermon, Louisiana
STATEMENT E
Statement of Revenues, Expenditures
and Changes in Fund Balance
Governmental Funds
For the Year Ended December 31, 2019

	<u>General</u>
Revenues:	
Ad valorem taxes	\$ 92,580
State revenue sharing	9,692
Insurance rebate	7,556
Interest earned	56
Other income	2,277
Total Revenues	<u>112,161</u>
Expenditures:	
Fuel, gas, and oil	\$ 1,571
Dues and subscriptions	-
Repairs and maintenance	17,538
Travel	2,057
Advertising	522
Insurance expense	24,762
Legal and accounting	4,550
Utilities	7,782
Supplies	13,841
Office expense	432
Training expense	2,244
Pension expense	3,275
Administrative expense	-
Principal payment	11,982
Interest expense	1,465
Capital outlay	-
Total expenditures	<u>92,021</u>
Net change in fund balance	20,140
Fund balance, January 1, 2019	<u>164,636</u>
Fund balance, December 31, 2019	<u><u>\$ 184,776</u></u>

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

STATEMENT E

**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, 2019**

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

Net Change in Fund Balances, Total Governmental Funds (Statement E)	\$	20,140
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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	-	
Less current depreciation	(40,085)	
Less book value of assets disposed	<u>-</u>	(40,085)

The repayment of the principal of long-term debt consumes the current
financial resources of governmental funds. This transaction, however,
has not effect on net assets

Principal payments		11,982
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Change in net position of governmental activities, (Statement B)	\$	<u><u>(7,963)</u></u>
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See accountant's compilation report and accompanying notes to the 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, 2018

INTRODUCTION

The 1991 the 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.

NOTE 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
For the Year Ended December 31, 2018

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. These criteria include:

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.

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.

WASHINGTON PARISH FIRE PROTECTION DISTRICT NO. 9
WASHINGTON PARISH GOVERNMENT
Mt. Hermon, Louisiana
Notes to the Financial Statements
For the Year Ended December 31, 2018

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 States 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.

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

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For the Year Ended December 31, 2018

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 are 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.

E. BUDGETS

The District does have a formal policy on adopting a budget. All appropriations lapse at year-end. The District adopted an original budget and amended the budget.

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.

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H. RESTRICTED ASSETS

Assets restricted by the board for a specific capital purchases are presented as restricted assets. Current liabilities payable from these restricted assets are so classified.

I. PREPAID ITEMS

The District uses the allocation method of recording prepaid expenses.

J. 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

K. COMPENSATED ABSENCES

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

L. 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.

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.

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Notes to the Financial Statements

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M. 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."

N. FUND BALANCE–GOVERNMENTAL FINANCIAL STATEMENTS

In the fund financial statements, governmental fund equity is classified as fund balance. The District adopted GASB 54 for the year ended December 31, 2014. 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 District.
- **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.

WASHINGTON PARISH FIRE PROTECTION DISTRICT NO. 9
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Notes to the Financial Statements
For the Year Ended December 31, 2018

NOTE 2—LEVIED TAXES

On March 28, 2015, the district held a special election for the following two tax propositions:

1. A tax renewal for 16 mills for a period of 10 years beginning with the year 2016 and ending with the year 2025, for the purpose of acquiring, constructing, improving, maintaining, and/or operating facilities and equipment for fire protection and emergency medical service in and for the District, including paying for the cost of obtaining water for fire protection services.
2. A tax for 4 mills for a period of 10 years beginning with the year 2015 and ending with the year 2024, for the purpose of acquiring, constructing, improving, maintaining, and/or operating facilities and equipment for fire protection and emergency medical service in and for the District, including paying for the cost of obtaining water for fire protection services.

Both propositions were approved by voters within the District.

For the period covered by these financial statements, the millage was set at 20.00 mills. Property tax millage for 2019 for the District are set as follow:

2019 Assessed property value	\$ 7,839,950
Exemptions	<u>(3,068,275)</u>
Taxable Value	<u>\$ 4,771,675</u>
Total Tax	\$ 156,799
Exemptions	<u>(61,365)</u>
Taxable Value	<u>\$ 95,434</u>

NOTE 3—CASH AND CASH EQUIVALENTS

At December 31, 2019, the District has cash and cash equivalents totaling \$91,094 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, 2019, the District had \$91,194 in deposits (collected bank balances, including certificates of deposit). These deposits were secured from risk by \$250,000 of federal deposit insurance.

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Notes to the Financial Statements
For the Year Ended December 31, 2018

NOTE 4—RESTRICTED CASH

At December 31, 2019, the District had \$60,566 classified as restricted cash. The District is restricting these funds for future capital outlay. The funds are held in a savings account at Whitney Bank.

NOTE 5—RECEIVABLES

The following is a summary of receivables at December 31, 2019:

<u>Class of Receivables</u>	<u>Ad valorem Tax</u>
General Fund	\$ 95,434
	<u>\$ 95,434</u>

NOTE 6—CAPITAL ASSETS

Capital Activity for the year ended December 31, 2019:

	<u>Balance January 1, 2019</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance December 31, 2019</u>
Capital Assets being Depreciated				
Sign	1,400	-	-	1,400
Fire Stations	102,218	-	-	102,218
Fire Equipment	349,200	-	-	349,200
Office Equipment	8,660	-	-	8,660
Fire Trucks	405,432	-	-	405,432
Total Depreciable Assets	866,910	-	-	866,910
Less Accumulated Depreciated	(548,977)	(40,085)	-	(589,062)
Total Capital Assets being Depreciation	317,933	(40,085)	-	277,848
Land	22,710	-	-	22,710
Total Capital Assets , Net	<u>340,643</u>	<u>(40,085)</u>	<u>-</u>	<u>300,558</u>

The District recoded depreciation at \$40,085. The District purchased no capital assets. No assets were disposed of.

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Notes to the Financial Statements
For the Year Ended December 31, 2018

NOTE 7—CAPITAL LEASE OBLIGATIONS

On July 11, 2016, the District entered in a municipal lease purchase agreement for \$60,000 to purchase a 2004 Ferrara pumper truck. The interest rate is 3.921%. The lease term is for five years. The following table summarizes the outstanding obligation:

	December 31, 2018	Additions	Payments	December 31, 2019	Due Within One Year
Capital lease obligation	<u>37,376</u>	<u>-</u>	<u>11,982</u>	<u>25,394</u>	<u>12,452</u>

The District made a lease payment of \$11,982 during the year. A total of \$1,465 was paid in interest.

Future minimum lease payments under the capital lease are as follows:

Year	Principal	Interest	Amount Due
2020	12,452	996	13,448
2021	12,942	507	13,449
Total	<u>25,394</u>	<u>1,503</u>	<u>26,897</u>

NOTE 8—FUND BALANCE—GOVERNMENTAL FUNDS

The unassigned fund balance of \$118,096 is available for current activities. Non-spendable fund balance is for prepaid insurance of \$6,114. Committed fund balance consisting of a savings account for future capital purchases is \$60,566.

NOTE 9—LITIGATION AND CLAIMS

As of December 31, 2019, the District was not involved in any outstanding litigation or claims.

NOTE 10—RELATED PARTY TRANSACTIONS

There were no related party transactions requiring disclosure in the 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, 2018**

NOTE 11—SUBSEQUENT EVENTS

Subsequent events have been evaluated by management through June 25, 2020, the date the financial statements were available to be issued and these financial statements considered subsequent events through such date.

There are no events that require recording or disclosure in the financial statements for the fiscal year ending December 31, 2019.

REQUIRED SUPPLEMENTAL INFORMATION

SCHEDULE 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, 2019

	Original Budget	Amended Budget	Actual	Variance
REVENUES:				
Ad valorem taxes	\$ 87,100	\$ 81,350	\$ 92,580	\$ 11,230
State revenue sharing	9,610	9,550	9,692	142
Insurance rebate	7,450	8,100	7,556	(544)
Interest earned	60	480	56	(424)
FEMA reimbursement	-	-	-	-
Other	-	5,763	2,277	(3,486)
Total Revenues	<u>\$ 104,220</u>	<u>\$ 105,243</u>	<u>\$ 112,161</u>	<u>\$ 6,918</u>
EXPENDITURES:				
Fuel, gas, and oil	\$ 2,400	\$ 1,800	\$ 1,571	\$ 229
Dues and subscriptions	420	350	-	350
Repairs and maintenance	6,000	6,000	17,538	(11,538)
Travel	-	-	2,057	(2,057)
Advertising	-	-	522	(522)
Depreciation	-	-	-	-
Capital outlay	33,718	29,365	-	29,365
Emergency reserve	2,400	12,000	-	12,000
Insurance expense	25,200	24,000	24,762	(762)
Legal and accounting	5,220	5,220	4,550	670
Election expense	-	-	-	-
Miscellaneous	1,200	1,200	-	-
Utilities	9,840	8,680	7,782	898
Supplies	2,640	1,346	13,841	(12,495)
Office expense	480	600	432	168
Training expense	2,400	2,400	2,244	156
Pension expenses	-	-	3,275	(3,275)
Principal payment	11,982	11,982	11,982	-
Interest expense	-	-	1,465	(1,465)
Administrative	320	300	-	300
Total expenditures	<u>\$ 104,220</u>	<u>105,243</u>	<u>\$ 92,021</u>	<u>\$ 12,022</u>
Net change in fund balance	-	-	20,140	18,940
FUND BALANCE, JANUARY 1, 2019	<u>164,636</u>	<u>164,636</u>	<u>164,636</u>	<u>-</u>
FUND BALANCE, DECEMBER 31, 2019	<u>\$ 164,636</u>	<u>\$ 164,636</u>	<u>\$ 184,776</u>	<u>\$ 18,940</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, 2019**

<u>Name and Title</u>	<u>Address</u>
Erroll Soldani	33135 Hwy 1056, Franklinton, LA 70438
Steve Kerbow	37122 Delos Lane, Mount Hermon, LA 70450
Adrian "A.J." Schexnider	39058 Holmesville Road, Mt. Hermon, LA 70450
Raymond Fisher	30157 Hwy 1055, Mount Hermon, LA 70450
George Griffin	32300 A. Miller Road, Mount Hermon, LA 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.

Schedule III

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

SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS TO AGENCY HEAD

For the Year Ended December 31, 2019

Agency Head: Al Ortiz, Fire Chief

There are no compensation, benefits, and other payments paid to the Fire Chief for the year ended December 31, 2019.

See accountant's compilation report.