

**ALLEN PARISH FIRE PROTECTION
DISTRICT NO. 5**

Oberlin, Louisiana

Financial Report

Year Ended December 31, 2019

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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

Board of Commissioners
Allen Parish Fire Protection District No. 5
Oberlin, Louisiana

We have reviewed the accompanying financial statements of the governmental activities and each major fund of the Allen Parish Fire Protection District No. 5 (the District), a component unit of the Allen Parish Police Jury, 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. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

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

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA and the standards applicable to review engagements contained in *Government Auditing Standards*, issued by the United States Comptroller General. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison schedule on pages 24 – 25 be presented to supplement the basic financial statements. Such information, although not a required 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 and for placing the basic financial statements in an appropriate operational, economic, or historical context. Such information is the responsibility of management. We have not audited, reviewed, or compiled the required supplementary information and we do not express an opinion, a conclusion, nor provide any assurance on it.

The District has omitted management’s discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such 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.

Emphasis of Matter

As discussed in Note 11 to the financial statements, as a result of the spread of the COVID-19 coronavirus, economic uncertainties have arisen that may negatively affect the financial position and changes in financial position of the District.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Oberlin, Louisiana
September 11, 2020

BASIC FINANCIAL STATEMENTS

**GOVERNMENT-WIDE
FINANCIAL STATEMENTS (GWFS)**

ALLEN PARISH FIRE PROTECTION DISTRICT NO. 5
Oberlin, Louisiana

Statement of Net Position
December 31, 2019

	<u>Governmental Activities</u>
ASSETS	
Cash and interest-bearing deposits	\$ 174,346
Taxes receivable	217,399
Capital assets, net	<u>887,435</u>
 Total assets	 <u>1,279,180</u>
LIABILITIES	
Accounts, salaries and other payables	8,265
Interest payable	7,078
Long-term liabilities:	
Due within one year	60,000
Due in more than one year	<u>715,000</u>
 Total liabilities	 <u>790,343</u>
NET POSITION	
Net investment in capital assets	112,435
Restricted for debt service	126,967
Unrestricted	<u>249,435</u>
 Total net position	 <u>\$ 488,837</u>

See accompanying notes and independent accountant's review report.

ALLEN PARISH FIRE PROTECTION DISTRICT NO. 5
Oberlin, Louisiana

Statement of Activities
For the Year Ended December 31, 2019

Activities	Expenses	Program Revenues			Net (Expense) Revenues and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental activities:					
Public safety	\$ 261,705	\$ -	\$ 14,019	\$ -	\$(247,686)
Interest on long-term debt	<u>22,011</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(22,011)</u>
Total governmental activities	<u>\$ 283,716</u>	<u>\$ -</u>	<u>\$ 14,019</u>	<u>\$ -</u>	<u>(269,697)</u>
General revenues:					
Taxes:					
Property taxes, levied for general purposes					123,703
Property taxes, levied for debt service					91,804
Interest and investment earnings					1,141
Miscellaneous					<u>15,625</u>
Total general revenues					<u>232,273</u>
Change in net position					(37,424)
Net position - January 1, 2019					<u>526,261</u>
Net position - December 31, 2019					<u>\$ 488,837</u>

See accompanying notes and independent accountant's review report.

FUND FINANCIAL STATEMENTS (FFS)

ALLEN PARISH FIRE PROTECTION DISTRICT NO. 5
Oberlin, Louisiana

Balance Sheet - Governmental Funds
December 31, 2019

	General	Debt Service	Total
ASSETS			
Cash and interest-bearing deposits	\$ 140,136	\$ 34,210	\$ 174,346
Receivables -			
Ad valorem taxes, net of allowance for uncollectible taxes	131,676	85,723	217,399
Due from other funds	-	20,204	20,204
Total assets	\$ 271,812	\$ 140,137	\$ 411,949
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 7,406	\$ -	\$ 7,406
Payroll tax payable	859	-	859
Due to other funds	20,204	-	20,204
Total liabilities	28,469	-	28,469
Deferred inflows of resources:			
Unavailable revenue	12,787	13,170	25,957
Fund balances:			
Restricted for debt service	-	126,967	126,967
Unassigned	230,556	-	230,556
Total fund balances	230,556	126,967	357,523
Total liabilities, deferred inflows of resources, and fund balances	\$ 271,812	\$ 140,137	\$ 411,949

See accompanying notes and independent accountant's review report.

ALLEN PARISH FIRE PROTECTION DISTRICT NO. 5
Oberlin, Louisiana

Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
December 31, 2019

Total fund balance for the governmental funds at December 31, 2019		\$ 357,523
Total net position reported for governmental activities in the statement of net position is different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of:		
Land	\$ 12,000	
Buildings and improvements, net of \$178,932 accumulated depreciation	137,989	
Machinery and equipment, net of \$1,439,683 accumulated depreciation	<u>737,446</u>	887,435
Long-term liabilities at December 31, 2019:		
Bonds payable	(775,000)	
Accrued interest payable	<u>(7,078)</u>	<u>(782,078)</u>
Some of the District's ad valorem taxes will be collected after year-end, but are not available soon enough to pay for the current period's expenditures, and therefore, are reported as deferred inflows of resources at the fund level		
		<u>25,957</u>
Total net position of governmental activities at December 31, 2019		<u>\$ 488,837</u>

See accompanying notes and independent accountant's review report.

ALLEN PARISH FIRE PROTECTION DISTRICT NO. 5
Oberlin, Louisiana

Statement of Revenues, Expenditures, and Changes in Fund Balances -
Governmental Funds
For the Year Ended December 31, 2019

	General	Debt Service	Total
Revenue:			
Ad valorem taxes	\$ 148,173	\$ 91,804	\$ 239,977
Fire insurance rebate	14,019	-	14,019
Miscellaneous	15,625	-	15,625
Interest	1,120	21	1,141
Total revenues	<u>178,937</u>	<u>91,825</u>	<u>270,762</u>
Expenditures:			
Current -			
Public safety:			
Advertising	695	-	695
Contract labor	25,810	-	25,810
Fuel	3,211	-	3,211
Insurance	27,275	-	27,275
Repairs and maintenance	21,461	-	21,461
Meetings	2,779	-	2,779
Miscellaneous	227	-	227
Theft loss	31,136	-	31,136
Dues and subscriptions	825	-	825
Office expense	1	85	86
Pension commission	4,299	2,623	6,922
Postage	182	-	182
Professional fees	5,690	-	5,690
Salaries	9,216	-	9,216
Supplies	11,537	-	11,537
Taxes and licenses	705	-	705
Telephone and utilities	6,338	-	6,338
Training	420	-	420
Capital outlay	31,607	-	31,607
Debt service -			
Principal	-	60,000	60,000
Interest and fiscal charges	-	22,057	22,057
Total expenditures	<u>183,414</u>	<u>84,765</u>	<u>268,179</u>
Net change in fund balances	(4,477)	7,060	2,583
Fund balances, beginning	<u>235,033</u>	<u>119,907</u>	<u>354,940</u>
Fund balances, ending	<u>\$ 230,556</u>	<u>\$ 126,967</u>	<u>\$ 357,523</u>

See accompanying notes and independent accountant's review report.

ALLEN PARISH FIRE PROTECTION DISTRICT NO. 5
Oberlin, Louisiana

Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of the Governmental Funds
to the Statement of Activities
For the Year Ended December 31, 2019

Total net changes in fund balance at December 31, 2019 per the statement of revenues, expenditures and changes in fund balances		\$ 2,583
The change in fund balances reported for governmental activities in the statement of activities is different because:		
Capital outlay which is considered as expenditure on statement of revenues, expenditures, and changes in fund balances		\$ 31,607
Depreciation expense for the year ended December 31, 2019	<u>(107,190)</u>	(75,583)
Principal retirement considered as an expenditure on statement of revenues, expenditures and changes in fund balances		60,000
Difference between interest on long-term debt on modified accrual basis versus interest on long-term debt on accrual basis		46
Some of the District's ad valorem taxes will be collected after year-end, but are not available soon enough to pay for the current period's expenditures, and therefore, are reported as deferred inflows of resources at the fund level		<u>(24,470)</u>
Total change in net position at December 31, 2019 per the statement of activities		<u>\$(37,424)</u>

See accompanying notes and independent accountant's review report.

ALLEN PARISH FIRE PROTECTION DISTRICT NO. 5
Oberlin, Louisiana

Notes to Basic Financial Statements

(1) Summary of Significant Accounting Policies

The accompanying financial statements of the Allen Parish Fire Protection District No. 5, (the District) have been prepared in conformity with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The accounting and reporting framework and the more significant accounting policies are described below.

Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 24:517 and to the guidance set forth in the industry audit guide, *Audits of State and Local Governments*, issued by the American Institute of Certified Public Accountants and the *Louisiana Governmental Audit Guide*. The following is a summary of certain significant accounting policies:

A. Reporting Entity

Allen Parish Fire Protection District No. 5 was created under the provisions of Louisiana Revised Statutes 40:1492-1501, for the purpose of providing fire protection for the citizens of District 5 of Allen Parish. The District is governed by a board of commissioners composed of five members appointed by the Allen Parish Police Jury.

As the governing authority of the parish, for reporting purposes, the Allen Parish Police Jury is the financial reporting entity for the District. The financial reporting entity consists of (a) the primary government (Police Jury), (b) organizations for which the primary government is financially accountable, (c) other organizations for which the 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, and (d) organizations that are closely related to, or financially integrated with the primary government.

Section 2100 of the Governmental Accounting Standards Board (GASB) *Codification of Governmental Accounting and Financial Reporting Standards*, "Defining the Financial Reporting Entity" establishes criteria for determining which entities should be considered a component unit and, as such, part of the reporting entity for financial reporting purposes. The basic criteria are as follows:

1. Legal status of the potential component unit including the right to incur its own debt, levy its own taxes and charges, expropriate property in its own name, sue and be sued, and the right to buy, sell and lease property in its own name.
2. Whether the primary government's government authority (Police Jury) appoints a majority of board members of the board members of the potential component unit and is able to impose its will on the potential component unit or whether the potential component unit is fiscally dependent on the primary government.

ALLEN PARISH FIRE PROTECTION DISTRICT NO. 5
Oberlin, Louisiana

Notes to Basic Financial Statements (Continued)

3. Financial benefit/burden relationship between the primary government and the potential component unit.
4. The nature and significance of the relationship between the potential component units with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading.

The Police Jury appoints all members to the governing body and has the ability to impose its will on the District. The District was determined to be a component unit of the Allen Parish Police Jury, 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 police jury, the general government services provided by the police jury, or the other governmental units that comprise the financial reporting entity.

B. Basis of Presentation

Government-Wide Financial Statements

The government-wide financial statements provide operational accountability information for the District as an economic unit. The government-wide financial statements report the District's ability to maintain service levels and continue to meet its obligations as they come due. The statements include all governmental activities of the District.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and therefore are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements

The accounts of the District are organized on the basis of funds, each of which is considered to be an independent fiscal and accounting entity. The operations of each fund are accounted for within separate sets of self-balancing accounts, which comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balance/net position, revenues, expenditures/expenses, and transfers. The minimum number of funds is maintained consistent with legal and managerial requirements. Fund financial statements report detailed information about the District. The various funds of the District are classified as governmental funds. The emphasis on fund financial statements is on major funds, each displayed in a separate column.

ALLEN PARISH FIRE PROTECTION DISTRICT NO. 5
Oberlin, Louisiana

Notes to Basic Financial Statements (Continued)

The General Fund is always a major fund. Other individual governmental and enterprise major funds are determined as funds whose revenues, expenditures/expenses, assets and deferred outflows or resources, or liabilities and deferred inflows of resources are at least ten percent of the corresponding totals for all funds of that category or type (total governmental or enterprise funds) and at least five percent of the corresponding total for all governmental and enterprise funds combined or funds designated as major at the discretion of the District. Funds not classified as a major fund are aggregated and presented in a single column in the fund financial statements. The District uses the following funds, grouped by fund type.

Governmental Funds -

Governmental funds are those through which most governmental functions are financed. The acquisition, use, and balances of the District's expendable financial resources and the related liabilities are accounted for through governmental funds.

General Fund

The General Fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.

Debt Service Funds

Debt Service Funds are used to account for and report resources that are restricted, committed, or assigned to expenditures for principal and interest. The District reports one Debt Service Fund.

Governmental fund financial statements include a balance sheet and a statement of revenues, expenditures, and changes in fund balances for all major governmental funds and nonmajor funds aggregated. A reconciliation is presented to summarize the differences in fund balances of the governmental fund financial statements and the net position of the governmental activities in the government-wide financial statements.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Measurement focus determines the accounting and financial reporting treatment applied to a fund. The governmental activities within the government-wide statement of net position and statement of activities are presented using the economic resources measurement focus. The economic resources measurement focus meets the accounting objectives of determining net income, net position, and cash flows.

ALLEN PARISH FIRE PROTECTION DISTRICT NO. 5
Oberlin, Louisiana

Notes to Basic Financial Statements (Continued)

The fund financial statements use either the current financial resources measurement focus, or the economic resources measurement focus as appropriate. Governmental funds use the current financial resources measurement focus. This measurement focus is based upon the receipt and disbursement of current available financial resources rather than upon net income.

The accrual basis of accounting is used throughout the government-wide financial statements; conversely, the financial statements of the governmental funds have been prepared in accordance with the modified accrual basis of accounting, whereby revenues are recognized when considered both measurable and available to finance expenditures of the current period. For this purpose, the District considers revenues to be available if they are collected within sixty (60) days of the end of the current fiscal period. The District accrues tax revenues based upon this concept. Interest on invested funds is recognized when earned. Intergovernmental revenues that are reimbursement for specific purposes or projects are recognized in the period in which the expenditures are recorded. All other revenue items are considered to be measurable and available only when the cash is received by the District.

Expenditures are generally recognized when the related fund liabilities are incurred and become payable in the current period. Proceeds of debt are recorded as other financing sources, and principal and interest on long-term debt, as well as expenditures for compensated absences, are recorded as expenditures when paid.

Since the fund level statements are presented using a different measurement focus and basis of accounting than the government-wide statements, a reconciliation is presented on the page following each fund level statement that summarizes the adjustments necessary to convert the fund level statements into the government-wide presentations.

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Equity

Cash and interest-bearing deposits

Cash includes amounts in demand deposits and time deposits with original maturities of 90 days or less. 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.

Receivables

In the government-wide statements, receivables, including amounts due from other governments, consist of all revenues earned at year-end and not yet received.

ALLEN PARISH FIRE PROTECTION DISTRICT NO. 5
Oberlin, Louisiana

Notes to Basic Financial Statements (Continued)

Interfund receivables and payables

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Those related to goods and services type transactions are classified as “due to and from other funds.” Short-term interfund loans are reported as “interfund receivables and payables.” Long-term interfund loans (noncurrent portion) are reported as “advances from and to other funds.” Interfund receivables and payables between funds within governmental activities are eliminated in the statement of net position.

Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the governmental activities column in the government-wide financial statements. The District’s accounting policies regarding capital assets are that these assets, with an initial cost of \$500 or more, are to be capitalized and depreciated over their estimated useful lives. Purchased or constructed capital assets are valued at historical cost or estimated historical cost. Donated capital assets are recorded at acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Depreciation of all exhaustible capital assets is recorded as an expense in the statement of activities, with accumulated depreciation reflected in the statement of net position. Depreciation is provided over the assets’ estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Building and improvements	10-25 years
Machinery and equipment	3-15 years

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental funds upon acquisition.

Long-term liabilities

All long-term liabilities to be repaid from governmental resources are reported as liabilities in the government-wide financial statements. Long-term liabilities consist of general obligation bonds payable.

Long-term liabilities for governmental funds are not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as expenditures.

ALLEN PARISH FIRE PROTECTION DISTRICT NO. 5
Oberlin, Louisiana

Notes to Basic Financial Statements (Continued)

Compensated Absences

Vacation and sick leave are recorded as expenditures of the period in which paid. Vacation must be taken in the year accrued and cannot be carried over. Sick leave is available for the District's only employee, when needed, not to exceed twelve days. It does not vest nor is it payable at termination of employment. The District had no accumulated compensated absence liability at December 31, 2019.

Deferred Outflows of Resources and Deferred Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District had no items that qualify for reporting in this category.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The District has only one item that qualifies for reporting in this category at the fund level, the deferred inflow of resources attributable to unavailable delinquent ad valorem tax revenue. The District reported deferred inflows of resources totaling \$12,787 and \$13,170 in the General Fund and Debt Service Fund, respectively, at December 31, 2019.

Equity Classifications

In the government-wide statements, equity is classified as net position and displayed in three components:

- a. Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position consists of net position with constraints placed on the use either by external groups, such as grantors, creditors, contributors, or laws and regulations of other governments, or law through constitutional provision or enabling legislation. It is the District's policy to use restricted net position prior to the use of unrestricted net position when both restricted and unrestricted net position are available for an expense which has been incurred. At December 31, 2019, the District reported \$126,967 of restricted net position, none of which was restricted by enabling legislation.

ALLEN PARISH FIRE PROTECTION DISTRICT NO. 5
Oberlin, Louisiana

Notes to Basic Financial Statements (Continued)

- c. Unrestricted net position consists of all other assets, deferred outflows of resources, liabilities, and deferred inflows of resources that do not meet the definition of “restricted” or “net investments in capital assets”.

In the fund financial statements, governmental fund equity is classified as fund balance. Fund balances for governmental funds are reported in classifications that comprise a hierarchy based primarily upon the extent to which the District is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The categories and their purposes are:

- a. Nonspendable includes fund balance amounts that cannot be spent either because they are not in spendable form or because of legal or contractual constraints requiring they remain intact.
- b. Restricted includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as grantors, donors, creditors or amounts constrained due to constitutional provisions or enabling legislation.
- c. Committed includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal legislative action of the Board of Commissioners and does not lapse at year end. A committed fund balance constraint can only be established, modified, or rescinded by a formal action by the Board of Commissioners.
- d. Assigned includes fund balance amounts that are constrained by the District’s intent to be used for specific purposes, that are neither restricted nor committed. The assignment of fund balance is authorized by a directed from the Fire Chief with the approval of the Board of Commissioners.
- e. Unassigned includes fund balance amounts which have not been classified within the above-mentioned categories.

It is the District’s policy to use restricted amounts first when both restricted and unrestricted fund balance is available unless prohibited by legal or contractual provisions. Additionally, the Districted uses committed, assigned, and lastly unassigned amounts of fund balance in that order when expenditures are made.

ALLEN PARISH FIRE PROTECTION DISTRICT NO. 5
Oberlin, Louisiana

Notes to Basic Financial Statements (Continued)

E. Revenues, Expenditures, and Expenses

Revenues

The District considers revenue to be susceptible to accrual in the governmental funds as it becomes measurable and available, as defined under the modified accrual basis of accounting. The District generally defines the availability period for revenue recognition as received within the reporting period or within sixty (60) days after year end. The District's major revenue source that meets this availability criterion is ad valorem tax revenues.

There are three classifications of programmatic revenues for the District, program specific grant and contributions revenue (operating and capital) and charges for services. Grant revenues are revenues from federal, state, and private grants. These revenues are recognized when all applicable eligibility requirements are met and are reported as intergovernmental revenues. In the government-wide statement of activities, property taxes are reported as general revenues because the District has discretion in the application of these funds to various programs/functions administered by the District. Interest income is recorded as earned in the fund holding the interest-bearing asset.

Expenditures/Expenses

In the government-wide financial statements, expenses are classified by function. In the fund financial statements, expenditures are classified by character.

Interfund Transfers

Permanent reallocations of resources between funds of the reporting entity are classified as interfund transfers. For the purpose of the statement of activities, all interfund transfers between individual governmental funds have been eliminated.

F. Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

(2) Compensation, Benefits, and Other Payments to Agency Head

Board President Robby Evans serves as agency head of the District. He was paid \$2,026 for contract labor and meeting fees.

ALLEN PARISH FIRE PROTECTION DISTRICT NO. 5
Oberlin, Louisiana

Notes to Basic Financial Statements (Continued)

(3) Cash and Interest-Bearing Deposits

Under state law, the District may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The District may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At December 31, 2019, the District had cash and interest-bearing deposits (book balances) totaling \$174,346.

Custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution, the District's deposits may not be recovered, or the District will not be able to recover the collateral securities that are in the possession of an outside party. 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 bank. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

As of December 31, 2019, the District's total bank balances in the amount of \$175,139 were fully insured by federal deposit insurance and, therefore, not exposed to custodial credit risk.

The District follows state law regarding its deposits and investments; however, it has not adopted a formal deposit and investment policy.

(4) Ad Valorem Taxes

Property tax millage rates are adopted in December for the calendar year in which the taxes are levied and recorded. All taxes are due and collectible when the assessment rolls are filed on or before November 15th of the current year and become delinquent after December 31st. Property taxes not paid by the end of February are subject to lien.

For the year ended December 31, 2019, taxes of 21.72 mills were levied on property with taxable assessed valuations totaling \$9,922,041 and were dedicated as follows:

Maintenance	13.49 mills
Debt service	<u>8.23</u> mills
Total	<u>21.72</u> mills

Total taxes levied for 2019 were \$310,393, of which \$94,887 was excluded due to homestead exemption. Taxes receivable at December 31, 2019 were \$217,399.

(5) Taxes Receivable

Taxes receivable consisted of 2019 property taxes which will be collected by the Allen Parish Sheriff's Office and subsequently remitted to the District.

ALLEN PARISH FIRE PROTECTION DISTRICT NO. 5
Oberlin, Louisiana

Notes to Basic Financial Statements (Continued)

(6) Capital Assets

Capital asset balances and activity for the year ended December 31, 2019 is as follows:

	Balance 01/01/19	Additions	Deletions	Balance 12/31/2019
Capital assets not being depreciated:				
Land	\$ 12,000	\$ -	\$ -	\$ 12,000
Other capital assets:				
Buildings and improvements	316,921	-	-	316,921
Machinery and equipment	2,145,522	31,607	-	2,177,129
Total	2,474,443	31,607	-	2,506,050
Less accumulated depreciation:				
Buildings and improvements	165,645	13,287	-	178,932
Machinery and equipment	1,345,780	93,903	-	1,439,683
Total	1,511,425	107,190	-	1,618,615
Net capital assets	\$ 963,018	\$ (75,583)	\$ -	\$ 887,435

Depreciation of \$107,190 was charged to the public safety function for the fiscal year ended December 31, 2019.

(7) Changes in Long-Term Liabilities

The following is a summary of the long-term liability transactions of the district for the year ended December 31, 2019:

	Bonds Payable
Long-term liabilities payable at January 1	\$ 835,000
Additions	-
Deductions	(60,000)
Long-term liabilities payable at December 31	\$ 775,000
Amount due in one year	\$ 60,000

Long-term liabilities are comprised of the following:

\$1,000,000 general obligation bonds dated April 14, 2015 due in annual installments of \$55,000 to \$80,000 through March 1, 2030; interest at 2.74% secured by levy and collection of ad valorem taxes.

\$ 775,000

ALLEN PARISH FIRE PROTECTION DISTRICT NO. 5
Oberlin, Louisiana

Notes to Basic Financial Statements (Continued)

The long-term liabilities are due as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 60,000	\$ 20,413	\$ 80,413
2021	60,000	18,769	78,769
2022	65,000	17,056	82,056
2023	65,000	15,276	80,276
2024	70,000	13,426	83,426
2025 - 2030	375,000	37,195	412,195
2030 - 2032	80,000	1,096	81,096
	<u>\$ 775,000</u>	<u>\$ 123,231</u>	<u>\$ 898,231</u>

(8) Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the District. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years. There have been no significant reductions in the insurance coverage during the year, nor have settlements exceeded coverage for the past three years.

(9) Pending Litigation

There are no lawsuits pending against the District at December 31, 2019.

(10) Interfund Transactions

A. Receivables and Payables

The interfund receivable and payable in the amount of \$20,204 at December 31, 2019 consisted of the amount due to the Debt Service Fund from the General Fund for short-term loans.

(11) Subsequent Events

As a result of the spread of the COVID-19 coronavirus, economic uncertainties have arisen which may negatively affect the financial position and changes in financial position of the District during fiscal year 2020. Additionally, a public health emergency was declared by the State of Louisiana on March 11, 2020 with subsequent stay at home orders in effect through May 15, 2020. The duration of these uncertainties and the ultimate financial effects on the District cannot be reasonably estimated at this time.

**REQUIRED
SUPPLEMENTARY INFORMATION**

ALLEN PARISH FIRE PROTECTION DISTRICT NO. 5
Oberlin, Louisiana

Budgetary Comparison Schedule
General Fund
For the Year Ended December 31, 2019

	Budget		Actual	Variance
	Original	Final		Favorable (Unfavorable)
Revenue:				
Ad valorem taxes	\$130,000	\$148,000	\$ 148,173	\$ 173
Fire insurance rebate	15,500	14,000	14,019	19
Miscellaneous	1,500	16,500	15,625	(875)
Interest	<u>75</u>	<u>110</u>	<u>1,120</u>	<u>1,010</u>
Total revenues	<u>147,075</u>	<u>178,610</u>	<u>178,937</u>	<u>327</u>
Expenditures:				
Current -				
Advertising	500	700	695	5
Contract labor	15,000	25,000	25,810	(810)
Fuel	4,000	3,300	3,211	89
Insurance	25,000	27,000	27,275	(275)
Repairs and maintenance	15,000	20,000	21,461	(1,461)
Meetings	1,800	2,500	2,779	(279)
Miscellaneous	750	1,200	227	973
Theft loss	-	-	31,136	(31,136)
Dues and subscriptions	-	-	825	(825)
Office expense	1,000	200	1	199
Pension commission	4,500	4,300	4,299	1
Postage	250	150	182	(32)
Professional fees	7,500	5,500	5,690	(190)
Salaries	20,000	9,216	9,216	-
Supplies	8,500	12,000	11,537	463
Taxes and licenses	1,600	700	705	(5)
Telephone and utilities	7,000	6,500	6,338	162
Training	500	420	420	-
Travel	<u>500</u>	<u>-</u>	<u>-</u>	<u>-</u>
Capital outlay	<u>5,000</u>	<u>32,000</u>	<u>31,607</u>	<u>393</u>
Total expenditures	<u>118,400</u>	<u>150,686</u>	<u>183,414</u>	<u>(32,728)</u>
Net change in fund balance	28,675	27,924	(4,477)	(32,401)
Fund balance, beginning	<u>235,033</u>	<u>235,033</u>	<u>235,033</u>	<u>-</u>
Fund balance, ending	<u>\$263,708</u>	<u>\$262,957</u>	<u>\$ 230,556</u>	<u>\$(32,401)</u>

The accompanying notes are an integral part of this schedule.

ALLEN PARISH FIRE PROTECTION DISTRICT NO. 5
Oberlin, Louisiana

Notes to Required Supplementary Information

(1) Budget and Budgetary Accounting

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

Prior to December 15, the Treasurer submits to the President of the Board of Commissioners a proposed operating budget for the period commencing the following January 1.

Budgetary amendments involving the transfer of funds from one department, program, or function to another or involving increases in expenditures resulting from revenues exceeding amounts estimated require the approval of the Board of Commissioners.

All budgetary appropriations lapse at the end of each fiscal year.

Budgets for all funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted or as amended by the Board of Commissioners.

(2) Excess of Expenditures Over Appropriations

The General Fund incurred expenditures in excess of appropriations totaling \$32,728 for the year ended December 31, 2019.

OTHER SUPPLEMENTARY INFORMATION

ALLEN PARISH FIRE PROTECTION DISTRICT NO. 5
Oberlin, Louisiana

Schedule of Current and Prior Year Findings
and Management's Corrective Action Plan
Year Ended December 31, 2019

Part I: Current Year Findings and Management's Corrective Action Plan

A. Compliance

2019-001 Theft of Assets

Fiscal year finding initially occurred: 2019

CONDITION: During the year, the acting Fire Chief negotiated checks payable to himself without authorization totaling \$31,136. An additional \$38,578 of checks were negotiated subsequent to year end.

CRITERIA: Proper security over check stock and proper controls over cash disbursements are necessary to safeguard District assets.

CAUSE: The cause of the condition is the fact that the District did not have adequate controls over the operating account check stock.

EFFECT: Failure to adequately secure the check book increases the risk that theft will occur.

RECOMMENDATION: Management should evaluate security controls to ensure they are adequate and functioning properly.

MANAGEMENT'S CORRECTIVE ACTION PLAN: When the theft was discovered, the District removed the acting Fire Chief from the bank account signature card, secured the check book, and severed all ties to the acting Fire Chief. The individual served the District as acting Fire Chief without compensation. The incident was reported to local law enforcement, the District Attorney, and the Louisiana Legislative Auditor and is currently under investigation by the Allen Parish Sheriff's Office. As of report date, no restitution has been made.

2019-002 Budget Noncompliance

Fiscal year finding initially occurred: 2019

CONDITION: Total expenditures in the General Fund exceeded budgeted expenditures by 22% or \$32,728.

CRITERIA: LSA-RS 39:1311(A)(1)&(2) states that when total actual revenues and other sources or expenditures and other uses plus projected revenues and other sources or expenditures and other uses for the remainder of the year are failing to meet or exceeding the total budgeted amounts by five percent or more the budget must be amended.

ALLEN PARISH FIRE PROTECTION DISTRICT NO. 5
Oberlin, Louisiana

Schedule of Current and Prior Year Audit Findings
and Management's Corrective Action Plan (Continued)
Year Ended December 31, 2019

CAUSE: The District did not properly monitor the expenditures of the General Fund and did not budget for the loss resulting from theft.

EFFECT: The District may not prevent and/or detect compliance violations due to revenue shortfalls or over expenditure of the appropriated budget, and/or errors or irregularities on a timely basis.

RECOMMENDATION: The District should periodically compare actual activity to budgeted amounts and adopt budgetary amendments as necessary to ensure compliance with state statute.

MANAGEMENT'S CORRECTIVE ACTION PLAN: The District will amend the General Fund budget in accordance with LSA-RS 39:1311 (A)(1)&(2).

Part II: Prior Year Findings:

There were no findings to be reported.

**ATTESTATION REPORT AND
QUESTIONNAIRE**

KOLDER, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

C. Burton Kolder, CPA*
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Victor R. Slaven, CPA* - retired 2020

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

WWW.KCSRCPAS.COM

* A Professional Accounting Corporation

Board of Commissioners
Allen Parish Fire Protection District No. 5
Oberlin, Louisiana

We have performed the procedures enumerated below, which were agreed to by the management of the Allen Parish Fire Protection District No. 5 (the District) and the Louisiana Legislative Auditor (the specified parties), on the District's compliance with certain laws and regulations contained in the accompanying Louisiana Attestation Questionnaire during the fiscal year ended December 31, 2019, as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*. The District's management is responsible for its financial records and compliance with applicable laws and regulations. The sufficiency of these procedures is solely the responsibility of the specified parties. Consequently, we make no representation regarding the sufficiency of the procedures enumerated below either for the purpose for which this report has been requested or for any other purpose. The procedures and associated findings are as follows:

Public Bid Law

1. Obtain documentation for all expenditures made during the year for materials and supplies exceeding \$30,000, or public works exceeding \$157,700. Compare the documentation for these expenditures to Louisiana Revised Statute (R.S.) 39:1551-39:1775 (the state procurement code) or R.S. 38:2211-2296 (the public bid law), whichever is applicable; and report whether the expenditures were made in accordance with these laws.

There were no expenditures made during the year which exceeded \$30,000 for materials and supplies, or \$157,700 for public works.

Code of Ethics for Public Officials and Public Employees

2. Obtain a list of the immediate family members of each board member as defined by R.S. 42:1101-1124 (the ethics law).

Management provided us with the requested information.

3. Obtain a list of all employees paid during the fiscal year.

Management provided us with the requested information.

4. Report whether any employees' names appear on both lists obtained in Procedures 2 and 3.

None of the employees included on the list of employees provided by management for agreed-upon Procedure 3 appeared on the list provided by management in agreed-upon Procedure 2.

5. Obtain a list of all disbursements made during the year, and a list of outside business interests of board members, employees, and board members; and employees' immediate families. Report whether any vendors appears on both lists.

Management provided the requested information. None of the businesses of board members, employees, and board members' and employees' immediate families appeared as vendors on the list of disbursements.

Budgeting

6. Obtain a copy of the legally adopted budget and all amendments.

Management provided us with the requested information.

7. Trace documentation for the adoption of the budget and approval of any amendments to the minute book, and report whether there are any exceptions.

The District did not include documentation of the adoption of the budget and approval of any amendments in the minutes.

8. Compare the revenues and expenditures of the final budget to actual revenues and expenditures. Report whether actual revenues failed to meet budgeted revenues by 5% or more, and whether actual expenditures exceed budgeted amounts by 5% or more.

We compared the revenues and expenditures of the final budget to actual revenues and expenditures. Revenues for the year did not exceed budgeted amounts by less than 5%. Expenditures for the year exceeded budgeted amounts by more than 5%.

Accounting and Reporting

9. Obtain the list of all disbursements made during the fiscal year. Randomly select six disbursements and obtain documentation from management for these disbursements. Compare the selected disbursements to the supporting documentation, and: (a) report whether the six disbursements agree to the amount and payee in the supporting documentation, (b) report whether the six disbursements are coded to the correct fund and general ledger account, and (c) report whether the six disbursements were approved in accordance with management's policies and procedures.

Each of the six selected disbursements agreed with the amount and payee in the supporting documentation, were properly coded to the correct fund and general ledger account, and were approved in accordance with management's policies and procedures.

Meetings

10. Obtain evidence from management to support that agendas for meetings recorded in the minute book were posted or advertised as required by R.S. 42:11 through 42:28 (the open meetings law); and report whether there are any exceptions.

Management represented that the District is only required to post a notice of each meeting and the accompanying agenda on the door of the District's office building. Although management has asserted that such documents were properly posted, no evidence was provided to support management's assertion other than an unmarked copy of the notices and agendas.

Debt

11. Obtain bank deposit slips for the fiscal year and scan the deposit slips in order to identify and report whether there are any deposits that appear to be proceeds of bank loans, bonds, or like indebtedness. If any such proceeds are identified, obtain from management evidence of approval by the State Bond Commission, and report any exceptions.

We scanned copies of all bank deposit slips for the fiscal year and noted no deposits which appeared to be proceeds of bank loans, bonds, or like indebtedness.

Advances and Bonuses

12. Obtain a list of payroll disbursements and meeting minutes of the governing board, if applicable. Scan these documents to identify and report whether there are any payments or approval of payments to employees that may constitute bonuses, advances, or gifts.

We scanned payroll disbursements and read the meeting minutes of the District's board of commissioners for the fiscal year. We found no payments or approval for payments to employees that would constitute bonuses, advances, or gifts.

State Audit Law

13. Report whether the agency provided for a timely report in accordance with R.S. 24:513.

The District's report, due on June 30, 2020, was submitted September 11, 2020. An extension of time was granted by the Louisiana Legislative Auditor on July 9, 2020 as a result of the statewide public health emergency declared due to the spread of the COVID-19 coronavirus.

14. Inquire of management and report whether the agency entered into any contracts that utilized state funds as defined in R.S. 39:72.1 A. (2); and that were subject to the public bid law (R.S. 38:2211, et seq.), while the agency was not in compliance with R.S. 24:513 (the audit law).

Management represented that the District was not on the noncompliance list at any time during the fiscal year. Management further represented that the District did not enter into any contracts during the fiscal year that were subject to the public bid law.

Prior-Year Comments

15. Obtain and report management's representation as to whether any prior-year suggestions, recommendations, and/or comments have been resolved.

Our prior year report, dated March 25, 2019, did not include any suggestions, exceptions, recommendations, or comments.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants, and the standards applicable to attestation engagements contained in *Government Auditing Standards*, issued by the United States Comptroller General. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the District's compliance with the foregoing matters. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

The purpose of this report is solely to describe the scope of testing performed on the District's compliance with certain laws and regulations contained in the accompanying Louisiana Attestation Questionnaire, as required by Louisiana Revised Statute 24:513 and the Louisiana Governmental Audit Guide, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Oberlin, Louisiana
September 11, 2020

LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Governmental Agencies)

September 11, 2020 (Date Transmitted)

Kolder, Slaven, & Company, LLC (CPA Firm Name)

332 West Sixth Avenue (CPA Firm Address)

Oberlin, LA 70655 (City, State Zip)

In connection with your engagement to apply agreed-upon procedures to the control and compliance matters identified below, as of December 31, 2019 (date) and for the year then ended, and as required by Louisiana Revised Statute (R.S.) 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you.

Public Bid Law

It is true that we have complied with the public bid law, R.S. Title 38:2211-2296, and, where applicable, the regulations of the Division of Administration and the State Purchasing Office.

Yes No

Code of Ethics for Public Officials and Public Employees

It is true that no employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone that would constitute a violation of R.S. 42:1101-1124.

Yes No

It is true that no member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1980, under circumstances that would constitute a violation of R.S. 42:1119.

Yes No

Budgeting

We have complied with the state budgeting requirements of the Local Government Budget Act (R.S. 39:1301-15), R.S. 39:33, or the budget requirements of R.S. 39:1331-1342, as applicable.

Yes No

Accounting and Reporting

All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by R.S. 44:1, 44:7, 44:31, and 44:36.

Yes No

We have filed our annual financial statements in accordance with R.S. 24:514, and 33:463 where applicable.

Yes No

We have had our financial statements reviewed in accordance with R.S. 24:513.

Yes No

We did not enter into any contracts that utilized state funds as defined in R.S. 39:72.1 A. (2); and that were subject to the public bid law (R.S. 38:2211, et seq.), while the agency was not in compliance with R.S. 24:513 (the audit law).

Yes No

We have complied with R.S. 24:513 A. (3) regarding disclosure of compensation, reimbursements, benefits and other payments to the agency head, political subdivision head, or chief executive officer.

Yes No

Meetings

We have complied with the provisions of the Open Meetings Law, provided in R.S. 42:11 through 42:28.
Yes [X] No []

Debt

It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and R.S. 39:1410.60-1410.65.
Yes [X] No []

Advances and Bonuses

It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, R.S. 14:138, and AG opinion 79-729.
Yes [X] No []

Prior-Year Comments

We have resolved all prior-year recommendations and/or comments.
Yes [X] No []

General

We are responsible for our compliance with the foregoing laws and regulations and the internal controls over compliance with such laws and regulations.
Yes [X] No []

We have evaluated our compliance with these laws and regulations prior to making these representations.
Yes [X] No []

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations.
Yes [X] No []

We have made available to you all records that we believe are relevant to the foregoing agreed-upon procedures.
Yes [X] No []

We have provided you with any communications from regulatory agencies, internal auditors, other independent practitioners or consultants or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of your report.
Yes [X] No []

We will disclose to you, the Legislative Auditor, and the applicable state grantor agency/agencies any known noncompliance that may occur up to the date of your report.
Yes [X] No []

The previous responses have been made to the best of our belief and knowledge.

Karen Morrow Secretary 9-11-2020 Date
Abby Erwin Treasurer _____ Date
Abby Erwin President 9-11-2020 Date