

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

Oberlin, Louisiana

Financial Report

Year Ended December 31, 2017

TABLE OF CONTENTS

	<u>Page</u>
Accountant's Compilation Report	1
BASIC FINANCIAL STATEMENTS	
GOVERNMENT-WIDE FINANCIAL STATEMENTS (GWFS)	
Statement of net position	4
Statement of activities	5
FUND FINANCIAL STATEMENTS (FFS)	
Balance sheet - governmental funds	7
Reconciliation of the governmental funds balance sheet to the statement of net position	8
Statement of revenues, expenditures, and changes in fund balances - governmental funds	9
Reconciliation of the statement of revenues, expenditures, and changes in fund balances of the governmental funds to the statement of activities	10
Notes to basic financial statements	11-21
REQUIRED SUPPLEMENTARY INFORMATION	
Budgetary comparison schedule:	
General Fund	23
Notes to required supplementary information	24
OTHER SUPPLEMENTARY INFORMATION	
Schedule of current and prior year findings and responses	26

KOLDER, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

C. Burton Kolder, CPA*
Victor R. Slaven, CPA*
Gerald A. Thibodeaux, Jr., CPA*
Robert S. Carter, CPA*
Arthur R. Mixon, CPA*
Brad E. Kolder, CPA, JD*
Stephen J. Anderson, CPA*
Christine C. Doucet, CPA
Wanda F. Arcement, CPA, CVA
Bryan K. Joubert, CPA
Matthew E. Margaglio, CPA
Casey L. Ardoin, CPA, CFE

183 S. Beadle Rd.
Lafayette, LA 70508
Phone (337) 232-4141

11929 Bricksome Ave.
Baton Rouge, LA 70816
Phone (225) 293-8300

1428 Metro Dr.
Alexandria, LA 71301
Phone (318) 442-4421

450 E. Main St.
New Iberia, LA 70560
Phone (337) 367-9204

200 S. Main St.
Abbeville, LA 70510
Phone (337) 893-7944

1234 David Dr. Ste. 203
Morgan City, LA 70380
Phone (985) 384-2020

434 E. Main St.
Ville Platte, LA 70586
Phone (337) 363-2792

332 W. Sixth Ave.
Oberlin, LA 70655
Phone (337) 639-4737

* A Professional Accounting Corporation

ACCOUNTANT'S COMPILATION REPORT

WWW.KCSRPCAS.COM

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

Management is responsible for the accompanying financial statements of the governmental activities and 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, 2017, 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. We 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. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we 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 that the budgetary comparison information on page 23 be presented to supplement the basic financial statements. Such information is presented for purposes of additional analysis and, 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. Management has omitted the management's discussion and analysis that the Governmental Accounting Standards Board requires to be presented to supplement the basic financial statements. Such missing 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. The required supplementary information was subject to our compilation engagement. We have not audited or reviewed the required supplementary information and do not express an opinion, a conclusion, nor provide any assurance on such information.

We are not independent with respect to the Allen Parish Fire Protection District No. 5.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Oberlin, Louisiana
April 6, 2018

BASIC FINANCIAL STATEMENTS

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

ALLEN PARISH FIRE PROTECTION DISTRICT NO. 5
Oberlin, Louisiana

Statement of Net Position
December 31, 2017

	<u>Governmental Activities</u>
ASSETS	
Cash and interest-bearing deposits	\$ 145,942
Taxes receivable	232,546
Capital assets, net	<u>1,064,868</u>
Total assets	<u>1,443,356</u>
LIABILITIES	
Accounts, salaries and other payables	3,314
Interest payable	8,129
Long-term liabilities:	
Due within one year	55,000
Due in more than one year	<u>835,000</u>
Total liabilities	<u>901,443</u>
NET POSITION	
Net investment in capital assets	174,868
Restricted for debt service	107,591
Unrestricted	<u>259,454</u>
Total net position	<u>\$ 541,913</u>

See accompanying notes and accountant's compilation report.

ALLEN PARISH FIRE PROTECTION DISTRICT NO. 5
Oberlin, Louisiana

Statement of Activities
For the Year Ended December 31, 2017

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	\$ 218,669	\$ -	\$ 15,396	\$ -	\$(203,273)
Interest on long-term debt	<u>24,636</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(24,636)</u>
Total governmental activities	<u>\$ 243,305</u>	<u>\$ -</u>	<u>\$ 15,396</u>	<u>\$ -</u>	<u>(227,909)</u>
General revenues:					
Taxes:					
Property taxes, levied for general purposes					120,388
Property taxes, levied for debt service					121,689
Interest and investment earnings					84
Miscellaneous					<u>4,664</u>
Total general revenues					<u>246,825</u>
Change in net position					18,916
Net position - January 1, 2017					<u>522,997</u>
Net position - December 31, 2017					<u>\$ 541,913</u>

See accompanying notes and accountant's compilation report.

FUND FINANCIAL STATEMENTS (FFS)

ALLEN PARISH FIRE PROTECTION DISTRICT NO. 5
Oberlin, Louisiana

Balance Sheet - Governmental Funds
December 31, 2017

	General	Debt Service	Total
ASSETS			
Cash and interest-bearing deposits	\$ 145,149	\$ 793	\$ 145,942
Receivables -			
Ad valorem taxes, net of allowance for uncollectible taxes	131,701	100,845	232,546
Due from other funds	-	20,305	20,305
Total assets	\$276,850	\$ 121,943	\$ 398,793
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 3,314	\$ -	\$ 3,314
Due to other funds	20,305	-	20,305
Total liabilities	23,619	-	23,619
Deferred inflows of resources:			
Unavailable revenue	18,011	14,352	32,363
Fund balances:			
Restricted for debt service	-	107,591	107,591
Unassigned	235,220	-	235,220
Total fund balances	235,220	107,591	342,811
Total liabilities, deferred inflows of resources, and fund balances	\$276,850	\$ 121,943	\$ 398,793

See accompanying notes and accountant's compilation 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, 2017

Total fund balance for the governmental funds at December 31, 2017		\$ 342,811
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 \$152,250 accumulated depreciation	158,071	
Machinery and equipment, net of \$1,242,723 accumulated depreciation	<u>894,797</u>	1,064,868
Long-term liabilities at December 31, 2017:		
Bonds payable	(890,000)	
Accrued interest payable	<u>(8,129)</u>	(898,129)
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>32,363</u>
Total net position of governmental activities at December 31, 2017		<u>\$ 541,913</u>

See accompanying notes and accountant's compilation 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, 2017

	General	Debt Service	Total
Revenue:			
Ad valorem taxes	\$ 97,401	\$ 121,689	\$ 219,090
Fire insurance rebate	15,396	-	15,396
Miscellaneous	4,608	56	4,664
Interest	<u>77</u>	<u>7</u>	<u>84</u>
Total revenues	<u>117,482</u>	<u>121,752</u>	<u>239,234</u>
Expenditures:			
Current -			
Public safety:			
Advertising	1,365	-	1,365
Contract labor	11,389	-	11,389
Fuel	3,503	-	3,503
Insurance	26,341	-	26,341
Repairs and maintenance	9,741	-	9,741
Meetings	2,226	-	2,226
Office supplies	628	110	738
Pension commission	4,338	-	4,338
Postage	167	-	167
Professional fees	4,513	-	4,513
Salaries	3,000	-	3,000
Supplies	8,179	-	8,179
Taxes and licenses	230	-	230
Telephone and utilities	6,259	-	6,259
Travel	336	-	336
Debt service -			
Principal	-	55,000	55,000
Interest and fiscal charges	<u>-</u>	<u>25,138</u>	<u>25,138</u>
Total expenditures	<u>82,215</u>	<u>80,248</u>	<u>162,463</u>
Excess of revenues over expenditures	<u>35,267</u>	<u>41,504</u>	<u>76,771</u>
Other sources (uses):			
Transfers in	-	3,500	3,500
Transfers out	<u>(3,500)</u>	<u>-</u>	<u>(3,500)</u>
Total other sources (uses)	<u>(3,500)</u>	<u>3,500</u>	<u>-</u>
Excess of revenues and other sources over expenditures and other uses	31,767	45,004	76,771
Fund balances, beginning	<u>203,453</u>	<u>62,587</u>	<u>266,040</u>
Fund balances, ending	<u>\$ 235,220</u>	<u>\$ 107,591</u>	<u>\$ 342,811</u>

See accompanying notes and accountant's compilation 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, 2017

Total net changes in fund balance at December 31, 2017 per the statement of revenues, expenditures and changes in fund balances		\$ 76,771
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	\$ -	
Depreciation expense for the year ended December 31, 2017	<u>(136,344)</u>	(136,344)
Principal retirement considered as an expenditure on statement of revenues, expenditures and changes in fund balances		55,000
Difference between interest on long-term debt on modified accrual basis versus interest on long-term debt on accrual basis		502
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>22,987</u>
Total change in net position at December 31, 2017 per the statement of activities		<u>\$ 18,916</u>

See accompanying notes and accountant's compilation 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) as applied to governmental units. GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of these notes.

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.

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, liabilities, fund balance/net position, revenues, expenditures/expenses, and transfers.

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.

ALLEN PARISH FIRE PROTECTION DISTRICT NO. 5
Oberlin, Louisiana

Notes to Basic Financial Statements (Continued)

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.

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.

ALLEN PARISH FIRE PROTECTION DISTRICT NO. 5
Oberlin, Louisiana

Notes to Basic Financial Statements (Continued)

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 fair 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, 2017.

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 \$18,011 in the General Fund at December 31, 2017.

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.
- 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".

ALLEN PARISH FIRE PROTECTION DISTRICT NO. 5
Oberlin, Louisiana

Notes to Basic Financial Statements (Continued)

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 District uses committed, assigned, and lastly unassigned amounts of fund balance in that order when expenditures are made.

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.

ALLEN PARISH FIRE PROTECTION DISTRICT NO. 5
Oberlin, Louisiana

Notes to Basic Financial Statements (Continued)

There are two classifications of programmatic revenues for the District, program specific grant and contributions revenue 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 \$2,692 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, 2017, the District had cash and interest-bearing deposits (book balances) totaling \$145,942.

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, 2017, the District's total bank balances in the amount of \$149,311 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, 2017, taxes of 23.49 mills were levied on property with taxable assessed valuations totaling \$10,084,611 and were dedicated as follows:

Maintenance	13.49 mills
Debt service	<u>10.00</u> mills
Total	<u>23.49</u> mills

Total taxes levied for 2017 were \$337,731, of which \$77,879 was excluded due to homestead exemption. Taxes receivable at December 31, 2017 were \$232,546.

(5) Taxes Receivable

Taxes receivable consisted of 2017 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, 2017 is as follows:

	Balance 01/01/17	Additions	Deletions	Balance 12/31/2017
Capital assets not being depreciated:				
Land	\$ 12,000	\$ -	\$ -	\$ 12,000
Other capital assets:				
Buildings and improvements	310,321	-	-	310,321
Machinery and equipment	<u>2,176,886</u>	<u>-</u>	<u>39,366</u>	<u>2,137,520</u>
Total	<u>2,499,207</u>	<u>-</u>	<u>39,366</u>	<u>2,459,841</u>
Less accumulated depreciation:				
Buildings and improvements	139,097	13,153	-	152,250
Machinery and equipment	<u>1,159,272</u>	<u>123,191</u>	<u>39,740</u>	<u>1,242,723</u>
Total	<u>1,298,369</u>	<u>136,344</u>	<u>39,740</u>	<u>1,394,973</u>
Net capital assets	<u>\$1,200,838</u>	<u>\$(136,344)</u>	<u>\$ (374)</u>	<u>\$1,064,868</u>

Depreciation of \$136,344 was charged to the public safety function for the fiscal year ended December 31, 2017.

(7) Changes in Long-Term Liabilities

The following is a summary of the long-term liabilities transactions during the year:

	Bonds Payable
Long-term liabilities payable at January 1	\$ 945,000
Additions	-
Deductions	<u>(55,000)</u>
Long-term liabilities payable at December 31	<u>\$ 890,000</u>

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.

\$ 890,000

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>
2018	\$ 55,000	\$ 23,633	\$ 78,633
2019	60,000	22,057	82,057
2020	60,000	20,413	80,413
2021	60,000	18,769	78,769
2022	65,000	17,056	82,056
2023 - 2028	355,000	57,197	412,197
2028 - 2030	235,000	9,796	244,796
	<u>\$890,000</u>	<u>\$168,921</u>	<u>\$1,058,921</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, 2017.

(10) Interfund Transactions

A. Receivables and Payables

The interfund receivable and payable in the amount of \$20,305 at December 31, 2017 consisted of the amount due to the Debt Service Fund from the General Fund for short-term loans.

B. Transfers

Transfers totaling in the amount of \$3,500 were made from the General and Debt Service Funds to the Capital Projects Fund for capital project expenditures during the year ended December 31, 2017.

**REQUIRED
SUPPLEMENTARY INFORMATION**

ALLEN PARISH FIRE PROTECTION DISTRICT NO. 5
Oberlin, Louisiana

Budgetary Comparison Schedule
General Fund
For the Year Ended December 31, 2017

	Budget		Actual	Variance
	Original	Final		Favorable (Unfavorable)
Revenue:				
Ad valorem taxes	\$130,000	\$100,000	\$ 97,401	\$ (2,599)
Grant revenue	3,000	-	-	-
Fire insurance rebate	14,500	15,396	15,396	
Miscellaneous	-	4,500	4,608	108
Interest	70	75	77	2
Total revenues	<u>147,570</u>	<u>119,971</u>	<u>117,482</u>	<u>(2,489)</u>
Expenditures:				
Current -				
Advertising	750	1,350	1,365	(15)
Contract labor	2,500	12,000	11,389	611
Fuel	4,000	3,500	3,503	(3)
Insurance	27,000	26,500	26,341	159
Repairs and maintenance	15,000	9,800	9,741	59
Meetings	1,800	2,160	2,226	(66)
Miscellaneous	3,000	-	-	-
Office supplies	1,000	600	628	(28)
Pension commission	4,250	4,338	4,338	-
Postage	250	150	167	(17)
Professional fees	8,800	4,500	4,513	(13)
Salaries	12,000	3,000	3,000	-
Supplies	8,500	8,500	8,179	321
Taxes and licenses	960	230	230	-
Telephone and utilities	6,250	6,300	6,259	41
Training	750	-	-	-
Travel	500	350	336	14
Total expenditures	<u>97,310</u>	<u>83,278</u>	<u>82,215</u>	<u>1,063</u>
Excess of revenues over expenditures	50,260	36,693	35,267	(1,426)
Other financing sources (uses):				
Transfer to Debt Service Fund	-	(3,500)	(3,500)	-
Excess of revenues over expenditures and other uses	50,260	33,193	31,767	(1,426)
Fund balance, beginning	<u>203,453</u>	<u>203,453</u>	<u>203,453</u>	-
Fund balance, ending	<u>\$253,713</u>	<u>\$236,646</u>	<u>\$235,220</u>	<u>\$ (1,426)</u>

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:

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.

OTHER SUPPLEMENTARY INFORMATION

ALLEN PARISH FIRE PROTECTION DISTRICT NO. 5
Oberlin, Louisiana

Schedule of Current and Prior Year Findings and Responses
For the Year Ended December 31, 2017

Reference Number	Fiscal Year Finding Initially Occurred	Description of Finding	Corrective Action Taken	Corrective Action Planned	Name of Contact Person	Anticipated Date of Completion
CURRENT YEAR (12/31/17) --						
<u>Internal Control:</u>						
There were no internal control findings for the year ended December 31, 2017.						
<u>Compliance:</u>						
There were no compliance findings for the year ended December 31, 2017.						
PRIOR YEAR (12/31/16) --						
<u>Internal Control:</u>						
There were no internal control findings for the year ended December 31, 2016.						
<u>Compliance:</u>						
2016-001	2016	State law requires financial reports to be completed and submitted six months after the fiscal year end. The District's December 31, 2016 financial report was not complete until after the deadline imposed by State law.	Yes			