

ALLEN PARISH FIRE PROTECTION DISTRICT NO. 5
Oberlin, Louisiana

**ANNUAL FINANCIAL STATEMENTS AND
INDEPENDENT ACCOUNTANTS' REPORTS**

Year Ended December 31, 2022

ROYCE T. SCIMEMI, CPA, APAC
Oberlin, LA

ALLEN PARISH FIRE PROTECTION DISTRICT NO. 5

ANNUAL FINANCIAL STATEMENTS
AND INDEPENDENT ACCOUNTANTS' REPORTS
Year Ended December 31, 2022

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INDEPENDENT ACCOUNTANTS' REVIEW REPORT

June 30, 2023

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

We have reviewed the accompanying financial statements of the governmental activities and the only fund of Allen Parish Fire Protection District No. 5 (District), a component unit of the Allen Parish Police Jury, as of and for the year ended December 31, 2022, and the 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 the 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 taken 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 the financial statements that are free from material misstatement whether due to error or fraud.

Accountants' Responsibilities. 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 Committee of the American Institute of Certified Public Accountants 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.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

Accountants' 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.

Allen Parish Fire Protection District No. 5
Independent Accountants' Review Report
June 30, 2023
Page 2 of 2

Required Supplementary Information (RSI). Management of the District has omitted the budgetary comparison schedule that the Governmental Accounting Standards Board requires to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by 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.

Management of the District has omitted the 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 missing information, although not a part of the basic financial statements, is required by 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.

Other Supplementary Information. The accompanying schedule of compensation paid to board members (on page 23) and the schedule of compensation, benefits, and other payments to chief executive officer (on page 24) are presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management. We have reviewed the information and, based on our review, we are not aware of any material modifications that should be made to the information for it to be in accordance with accounting principles generally accepted in the United States of America. We have not audited the other supplementary information and do not express an opinion, a conclusion, nor provide any assurance on it.

Royce T. Scimemi, CPA, APAC

A handwritten signature in black ink that reads "Royce T. Scimemi, CPA, APAC". The signature is written in a cursive style and is positioned to the right of the typed name.

BASIC FINANCIAL STATEMENTS

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

Allen Parish Fire Protection District No. 5
Oberlin, Louisiana

Statement of Net Position
December 31, 2022

		<u>Primary Government</u>
		<u>Governmental Activities</u>
ASSETS		
Cash and interest-bearing deposits	\$	207,161
Ad valorem taxes receivable		168,695
Land		12,000
Capital assets, net		583,624
Total Assets		<u><u>971,480</u></u>
DEFERRED OUTFLOWS OF RESOURCES		
Aggregated deferred outflows		--
Total Deferred Outflows of Resources		<u><u>--</u></u>
LIABILITIES		
Accounts payable		3,607
Payroll taxes payable		3,671
Accrued interest payable		5,359
Long-term liabilities:		
Due within one year		65,000
Due after one year		525,000
Total Liabilities		<u><u>602,637</u></u>
DEFERRED INFLOWS OF RESOURCES		
Aggregated deferred inflows		--
Total Deferred Inflows of Resources		<u><u>--</u></u>
NET POSITION		
<i>Net investment in capital assets</i>		265
<i>Restricted for debt service</i>		131,899
<i>Unrestricted</i>		236,679
Total Net Position	\$	<u><u>368,843</u></u>

See accompanying notes and independent accountants' review report.

Allen Parish Fire Protection District No. 5
Oberlin, Louisiana

Statement of Activities
For the Year Ended December 31, 2022

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government
					Governmental Activities
Primary Government					
Governmental Activities:					
Fire-fighting and rescue	\$ 279,940	\$ --	\$ 23,472	\$ --	\$ (256,468)
Interest on long-term debt	16,434	--	--	--	(16,434)
Total Governmental Activities	\$ 296,374	\$ --	\$ 23,472	\$ --	(272,902)
General Revenues:					
Taxes:					
					138,295
					74,017
					555
					7,124
					219,991
					(52,911)
					421,754
					\$ 368,843

See accompanying notes and independent accountants' review report.

FUND FINANCIAL STATEMENTS (FFS)

ALLEN PARISH FIRE PROTECTION DISTRICT NO. 5

Major Fund Descriptions

General Fund

To account for resources traditionally associated with governments that are not required to be accounted for in another fund.

Debt Service Fund

To account for the accumulation of resources for, and the payment of bond principal, interest, and related costs. It is funded by ad valorem tax revenues.

Allen Parish Fire Protection District No. 5
Oberlin, Louisiana

Balance Sheet
Governmental Funds
December 31, 2022

	General Fund	Debt Service Fund	Total Governmental Funds
ASSETS			
Cash and interest-bearing deposits	\$ 94,140	\$ 113,021	\$ 207,161
Receivables:			
Ad valorem taxes, net	107,141	61,554	168,695
Due from other funds	42,676	--	42,676
Total Assets	243,957	174,575	418,532
DEFERRED OUTFLOWS OF RESOURCES			
Aggregated deferred outflows	--	--	--
Total Assets and Deferred Outflows of Resources	\$ 243,957	\$ 174,575	\$ 418,532
LIABILITIES			
Accounts payable	\$ 3,607	\$ --	\$ 3,607
Payroll taxes payable	3,671	--	3,671
Due to other funds	--	42,676	42,676
Total Liabilities	7,278	42,676	49,954
DEFERRED INFLOWS OF RESOURCES			
Aggregated deferred inflows	--	--	--
Total Liabilities and Deferred Inflows of Resources	7,278	42,676	49,954
FUND BALANCE			
Restricted for debt service	--	131,899	131,899
Unassigned	236,679	--	236,679
Total Fund Balance	236,679	131,899	368,578
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ 243,957	\$ 174,575	\$ 418,532

See accompanying notes and independent accountants' review report.

Allen Parish Fire Protection District No. 5
Oberlin, Louisiana

**Reconciliation of Governmental Funds Balance Sheet with the Statement of Net Position
December 31, 2022**

Total Fund Balance - Governmental Funds	\$	368,578
Accrued interest payable is accrued on Statement of Net Position and expensed on the Statement of Activities. Interest is expensed on a cash basis on the Statement of Revenues, Expenditures, and Changes in Fund Balance.		(5,359)
Fixed assets are capitalized in the Statement of Net Position and depreciated in the Statement of Activities. These are expensed when acquired in the Statement of Revenues, Expenditures, and Changes in Fund Balances.		595,624
Long- term debt is reflected on Statement of Net Position and not in governmental funds balance sheet.		(590,000)
Total Net Position - Governmental Activities	\$	<u>368,843</u>

See accompanying notes and independent accountants' 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, 2022

	General Fund	Debt Service Fund	Total Governmental Funds
Revenues			
Ad valorem taxes, net	\$ 153,656	\$ 88,282	\$ 241,938
Intergovernmental - local	23,472	--	23,472
Miscellaneous income	7,124	--	7,124
Interest income	352	203	555
Total Revenues	184,604	88,485	273,089
Expenditures			
Current -			
Advertising	465	--	465
Contract labor	36,030	--	36,030
Dues and subscriptions	680	--	680
Fuel	13,568	--	13,568
Insurance	29,334	--	29,334
Miscellaneous expense	3,641	--	3,641
Office expense	357	--	357
Professional fees	6,225	--	6,225
Rent	300	--	300
Repairs and maintenance	18,810	--	18,810
Salaries	27,900	--	27,900
Supplies	7,220	--	7,220
Taxes and licenses	2,134	--	2,134
Telephone and utilities	13,131	--	13,131
Training	3,214	--	3,214
Uniforms	2,787	--	2,787
Capital outlay	4,431	--	4,431
Debt service -			
Interest on long-term debt	--	17,057	17,057
Principal retirement	--	65,000	65,000
Total Expenditures	170,227	82,057	252,284
Net Change in Fund Balance	14,377	6,428	20,805
<i>Fund Balance at Beginning of Period</i>	222,302	125,471	347,773
Fund Balance at End of Period	\$ 236,679	\$ 131,899	\$ 368,578

See accompanying notes and independent accountants' review report.

Allen Parish Fire Protection District No. 5
Oberlin, Louisiana

**Reconciliation of Governmental Funds Statement of Revenues, Expenditures,
Changes in Fund Balances with Statement of Activities
For the Year Ended December 31, 2022**

Total Net Change in Fund Balances - Governmental Funds	\$	20,805
Basis in assets disposed of during the year.		(4,814)
Fixed assets expensed as capital outlay in governmental fund statements, capitalized as fixed assets in Statement of Net Position.		4,431
Principal payments on long-term debt expensed in governmental fund statements and treated as reductions of outstanding debt in entity-wide statements.		65,000
Depreciation expense reflected in entity-wide statements, not reflected in governmental fund statements.		(109,330)
Accrued interest expense included in Statement of Activities, expensed as paid in governmental fund statements.		623
Some of the District's ad valorem taxes were collected after the prior year end, but were not available soon enough to pay for the prior year's expenditures, and therefore, were reported on the prior-year-end as deferred inflows of resources at the fund level.		(29,626)
Changes in Net Position - Governmental Activities	\$	<u>(52,911)</u>

See accompanying notes and independent accountants' review report.

ALLEN PARISH FIRE PROTECTION DISTRICT NO. 5

Notes to the Financial Statements
December 31, 2022

INTRODUCTION

Allen Parish Fire Protection District No. 5 was created under the provisions of Louisiana Revised Statutes 40:1491-1510 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.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying basic financial statements of Allen Parish Fire Protection District No. 5 have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

1. Financial Reporting Entity

As the governing authority of the parish, for reporting purposes, the Allen Parish Police Jury is the financial reporting entity for Allen Parish. The financial reporting entity consists of (a) the primary government (police jury), (b) organizations for which the primary government is financially accountable, and (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.

GASB Statement No. 14 established criteria for determining which component units should be considered part of the Allen Parish Police Jury for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. These criteria include:

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

Because the 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

ALLEN PARISH FIRE PROTECTION DISTRICT NO. 5

Notes to the Financial Statements (Continued)
December 31, 2022

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

maintained by the District and do not present any information on the Allen Parish Police Jury, the general government services provided by the police jury, or the other governmental units that comprise the police jury. The District itself has no component units.

2. Basis of Presentation

The accompanying basic financial statements of the District have been prepared in conformity with GAAP, with the exception of complying with the requirement to present the Management's Discussion and Analysis and the budgetary comparison schedule.

Government-Wide Financial Statements (GWFS)

The statement of net position and the statement of activities display information about the District as a whole. These statements include all the financial activities of the District. The sole function of the District is fire-fighting and rescue.

The statement of activities presents a comparison between direct expenses and program revenues for each of the functions 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. Revenues that are not classified as program revenues are presented as general revenues.

Fund Financial Statements (FFS)

The District uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain District functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts. The District's two funds are classified in one category: governmental. The emphasis on fund financial statements is on major funds, each displayed in a separate column. A fund is considered major if it is the primary operating fund of the District or its total assets, liabilities, revenues or expenditures are at least 10% of the corresponding total for all governmental funds. The major funds of the District are described below:

Governmental Fund Type:

The General Fund is the general operating fund of the District. All financial resources, except those required to be accounted for in another fund, are accounted for in the General Fund.

The Debt Service Fund was used to account for the accumulation of resources for, and the payment of bond principal, interest, and related costs. It was funded by sales tax revenues.

3. Measurement Focus/Basis of Accounting

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements.

ALLEN PARISH FIRE PROTECTION DISTRICT NO. 5

Notes to the Financial Statements (Continued)
December 31, 2022

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

On the government-wide statement of net position and statement of activities, the governmental activities are presented using the economic resources measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), and financial position. All assets and liabilities (whether current or non-current) associated with their activities are reported. Equity is classified as net position.

The amounts reflected in the governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balance reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach is then reconciled, through adjustment, to a government-wide view of District operations.

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied. The government-wide statement of net position and statement of activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, "Accounting and Financial Reporting for Nonexchange Transactions."

The amounts reflected in the governmental funds use the modified accrual basis of accounting. Revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The governmental funds use the following practices in recording revenues and expenditures:

Revenues

Ad valorem taxes are recorded in the year taxes are due and payable. Ad valorem taxes are assessed on a calendar year basis, become due on November 15 of each year, and become delinquent after December 31. The taxes are generally collected in December, January, and February of the fiscal year. The government considers property taxes as available if they are collected within 60 days after year-end. Property taxes not paid by the end of February are subject to lien. A one-year availability period is used for revenue recognition for all other governmental fund revenues. Those revenues susceptible to accrual are property taxes, intergovernmental revenue, grants, and interest.

ALLEN PARISH FIRE PROTECTION DISTRICT NO. 5

Notes to the Financial Statements (Continued)
December 31, 2022

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Expenditures

In the fund financial statements, expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Capital expenditures are regarded as expenditures at the time of purchase.

4. Deposits

Deposits include amounts in demand deposits, interest-bearing demand deposits, and time deposits as well as those investments with a maturity date of 90 days or less. Louisiana Revised Statute 33:2955 authorizes the District to invest in obligations of the U.S. Treasury or U.S. government agencies, time certificates of deposit of any banks that are domiciled or have a branch office in Louisiana, or any other federally insured investment. In addition, local governments in Louisiana are authorized to invest in the Louisiana Asset Management Pool, Inc. (LAMP), a non-profit corporation formed by an initiative of the State Treasurer and organized under the laws of the State of Louisiana.

These deposits are stated at cost, which approximates market.

5. Accounts Receivable

Uncollectible amounts due for ad valorem taxes and other receivables of governmental funds are recognized as bad debts at the time information becomes available which would indicate that the particular receivable is not collectible.

6. Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of moneys are recorded in order to reserve that portion of applicable appropriations, is not employed by the District as an extension of formal budgetary integration in the funds.

7. Budget

A general fund budget is supposed to be adopted on a basis consistent with accounting principles generally accepted in the United States of America. On or before December 15 of each year, the budget is supposed to be prepared by function and activity, based on information from the past year and current year estimates for the next fiscal year. The proposed budget is supposed to be presented to the District's Board of Commissioners for review. The board is supposed to hold a public hearing and adopt the budget before the end of the fiscal year preceding the budget year. Any changes in the budget must be within the revenues and reserves estimated. The budget for 2022 was not adopted or amended.

ALLEN PARISH FIRE PROTECTION DISTRICT NO. 5

Notes to the Financial Statements (Continued)
December 31, 2022

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

8. Capital Assets

Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair value at the date of donation. The District maintains a threshold level of \$1,500 or more for capitalizing capital assets. Capital assets are recorded in the statement of net position. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes, no salvage value is taken into consideration for depreciation purposes. All capital assets are depreciated using the straight-line method over the following useful lives:

	<u>Estimated Useful Lives</u>
Buildings	30 Years
Equipment	5-20 Years
Vehicles	10-20 Years

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

9. Equity Classification

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

- a. Invested in capital assets, net of related debt – Consists of capital assets including restricted 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 (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position – All other net position that does not meet the definition of “restricted” or “invested in capital assets, net of related debt”.

When an expenditure is incurred for which both restricted and unrestricted net position is available, the District’s policy is to consider the restricted funds as having been spent first.

In the fund statements, governmental fund equity is classified as fund balance. Fund balance is further classified as follows:

- a. Nonspendable – amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

ALLEN PARISH FIRE PROTECTION DISTRICT NO. 5

Notes to the Financial Statements (Continued)
December 31, 2022

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- b. Restricted – amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or laws or regulations of other governments.
- c. Committed – amounts that can be used for specific purposes determined by a formal action of the Board. The Board is the highest level of decision-making authority for the District. Commitments may be established, modified, or rescinded only through resolutions approved by the Board.
- d. Assigned – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Under the Board’s adopted policy, only board members may assign amounts for specific purposes.
- e. Unassigned – all other spendable amounts.

When an expenditure is incurred for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure has been incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the District has provided otherwise in its commitment or assignment actions.

10. Use of Estimates

The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

11. Long-Term Debt

All long-term debts to be repaid from governmental resources are reported as liabilities in the government-wide statements.

Long-term debts for governmental funds are not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payments of principal and interest are reported as expenditures. Long-term liabilities consists of general obligation bonds payable.

12. Subsequent Events

Management has evaluated subsequent events through June 30, 2023, the date the financial statements were available to be issued.

13. Interfund Receivables and Payables

During the course of operations, 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.”

ALLEN PARISH FIRE PROTECTION DISTRICT NO. 5

Notes to the Financial Statements (Continued)
December 31, 2022

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

NOTE B – CASH AND INTEREST BEARING DEPOSITS

As of December 31, 2022, the District had cash and interest-bearing deposits (book balances) totaling \$207,161. Custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution, the District will not be able to recover its deposits or the collateral securities that are in the possession of an outside party. Under state law, these deposits (or 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 or exceed the amount on deposit with the fiscal agent. At December 31, 2022, the District had \$210,117 in deposits (collected bank balances) secured by the federal deposit insurance corporation:

NOTE C – AD VALOREM TAXES

For the year ended December 31, 2022, taxes of 21.13 mills were levied on property with taxable assessed valuations totaling \$11,084,603 and were dedicated as follows:

Maintenance millage expiring December 31, 2027	7.71 mills
Debt service millage expiring December 31, 2029	13.42 mills

Total taxes levied were \$234,218. Total taxes collected were \$222,494.

Property tax millage rates are adopted before November 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.

ALLEN PARISH FIRE PROTECTION DISTRICT NO. 5

Notes to the Financial Statements (Continued)
December 31, 2022

NOTE D – CAPITAL ASSETS

A summary of changes in capital assets follows:

	<u>12/31/21</u> <u>Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>12/31/22</u> <u>Balance</u>
Capital assets not being depreciated:				
Land	\$ 12,000	\$ -	\$ -	\$ 12,000
Other capital assets:				
Buildings and improvements	326,621	-	2,150	324,471
Machinery and equipment	<u>2,162,300</u>	<u>4,431</u>	<u>219,837</u>	<u>1,946,894</u>
Total	2,500,921	4,431	221,987	2,283,365
Less: accumulated depreciation:				
Buildings	204,729	12,558	-	217,287
Machinery and equipment	<u>1,590,855</u>	<u>96,772</u>	<u>217,173</u>	<u>1,470,454</u>
Total	<u>1,795,584</u>	<u>109,330</u>	<u>217,173</u>	<u>1,687,741</u>
Net capital assets	<u>\$ 705,337</u>	<u>\$ (104,899)</u>	<u>\$ 4,814</u>	<u>\$ 595,624</u>

Depreciation expense in the amount of \$109,330 was charged to fire-fighting and rescue in 2022. New assets consisted of parking lot resurfacing and radio equipment.

NOTE E - LONG-TERM LIABILITIES

A summary of changes in long-term liabilities for the year ended December 31, 2022 follows:

	<u>Beginning</u> <u>of Year</u>	<u>Issued</u>	<u>Retired</u>	<u>End</u> <u>of Year.</u>
Bonds payable	<u>\$655,000</u>	\$ -	<u>\$ 65,000</u>	<u>\$590,000</u>
Total Long-Term Liabilities	<u>\$655,000</u>	\$ -	<u>\$ 65,000</u>	<u>\$590,000</u>

Bond payments are and will be paid out of the Debt Service Fund. The long-term debt is comprised of the following individual issues:

<u>General Obligation Bonds Payable-Governmental:</u>	
\$1,000,000 bonds dated 4/14/2015 due in annual principal installments ranging from \$55,000 to \$80,000 through March 1, 2030; interest at 2.74%; Secured by levy and collection of ad valorem taxes	<u>\$ 590,000</u>
Total Bonds Payable	<u>\$ 590,000</u>

ALLEN PARISH FIRE PROTECTION DISTRICT NO. 5

Notes to the Financial Statements (Continued)
December 31, 2022

The annual requirements to amortize all general obligation bonds outstanding at December 31, 2022 are as follows:

<u>Fiscal Year Ending</u>	<u>Principal Payments</u>	<u>Interest Payments</u>	<u>Totals</u>
2023	\$ 65,000	\$15,276	\$ 80,276
2024	70,000	13,426	83,426
2025	70,000	11,508	81,508
2026	75,000	9,522	84,522
2027	75,000	7,467	82,467
2028-2030	<u>235,000</u>	<u>9,796</u>	<u>244,796</u>
Totals	<u>\$590,000</u>	<u>\$66,995</u>	<u>\$656,995</u>

In accordance with La. R.S. 39:562, the District is legally restricted from incurring long-term bonded debt (payable solely from ad valorem taxes) in excess of 35% of the assessed value of taxable property in the District. At December 31, 2022 the statutory limit is \$3,879,611.

NOTE F – PENDING LITIGATION

There are no lawsuits pending against the District at December 31, 2022.

NOTE G – RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to and 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.

NOTE H – INTERFUND TRANSACTIONS

The interfund receivable and payable in the amount of \$42,676 at December 31, 2022X consisted of the amount due to the General Fund from the Debt Service Fund for short-term loans.

OTHER SUPPLEMENTARY INFORMATION

ALLEN PARISH FIRE PROTECTION DISTRICT NO. 5
Oberlin, Louisiana

Schedule of Compensation Paid to Board Members

For the Year Ended December 31, 2022

Larry Victorian	\$2,220
Val Carrier	720
Robby Evans	2,700
Karen Morrow	1,035
Blackie LeBlue	<u>330</u>
Total Compensation Paid to Board Members	<u>\$7,005</u>

See accompanying notes.

ALLEN PARISH FIRE PROTECTION DISTRICT NO. 5
Oberlin, Louisiana

Schedule of Compensation, Benefits and Other Payments to
Chief Executive Officer

Year Ended December 31, 2022

Chief Executive Officer: Ryan Daigle, Fire Chief

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 24,900
Benefits-insurance	-0-
Benefits-retirement	-0-
Benefits-cell phone	-0-
Car allowance	-0-
Vehicle provided by government	-0-
Per diem	-0-
Reimbursements	-0-
Travel	-0-
Registration fees	-0-
Conference travel	-0-
Continuing professional education fees	-0-
Housing	-0-
Unvouchered expenses	-0-
Special meals	-0-
Other -- Dues	-0-

See accompanying notes.

ROYCE T. SCIMEMI, CPA, APAC



CERTIFIED PUBLIC ACCOUNTANT

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Oberlin, LA 70655

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American Institute of
Certified Public Accountants

Member
Society of Louisiana
Certified Public Accountants

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

June 30, 2023

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

We have performed the procedures enumerated below on the Allen Parish Fire Protection District No. 5's (the "District") compliance with certain laws and regulations contained in the accompanying Louisiana Attestation Questionnaire during the fiscal year ended December 31, 2022, 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 District has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the District's compliance with the laws and regulations contained in the accompanying Louisiana Attestation Questionnaire during the fiscal year ended December 31, 2022. Additionally, the Louisiana Legislative Auditor has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

Public Bid Law

1. Obtain documentation for all expenditures made during the year for material and supplies exceeding \$30,000, and public works exceeding \$250,000. Compare the documentation for these expenditures to Louisiana Revised Statute (R.S.) 39:1551-39:1775 (the state procurement code); R.S. 38:2211-2296 (the public bid law), or the regulations of the Division of Administration and State Purchasing Office, whichever is applicable; and report whether the expenditures were made in accordance with these laws.

There were no expenditures made during the year for materials and supplies exceeding \$30,000 or public works exceeding \$250,000 during 2022.

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) as immediate family members.

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 appear on both lists.

Management provided us with the requested information. Five of the outside business interests of board members, employees, and board members' and employees' immediate families appeared as vendors on the list of disbursements. See finding # 2022-2 C.

Budgeting

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

Management did not provided us with a copy of the original or amended budgets as they did not prepare one.

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.

Management did not provided us with a copy of the original or amended budgets as they did not prepare one. Therefore, we were unable to trace it to board approval.

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 exceeded budgeted amounts by 5% or more. (For agencies that must comply with the Licensing Agency Budget Act only, compare the expenditures of the final budget to actual expenditures, and report whether actual expenditures exceeded budgeted amounts by 10% or more per category or 5% or more in total).

Management did not provided us with a copy of the original or amended budgets as they did not prepare one. Therefore, we were unable to compare it to actual expenditures.

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,

Each of the six selected disbursements agreed with the amount and payee in the supporting documentation.

(b) Report whether the six disbursements are coded to the correct fund and general ledger account.

Each of the payments were properly coded to the correct fund and general ledger account.

(c) Report whether the six disbursements were approved in accordance with management's policies and procedures.

Each of the payments received proper approvals without exception.

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 with such posting to be at least 24 hours in advance of the meeting. 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 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 deposits 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 the 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 minutes of the District's board meetings for the fiscal year. We found no payments or approval of 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 agency provided for a timely report in accordance with R.S. 24:513.

14. Inquire of management and report whether the agency entered 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).

The District represented that it entered into no contracts during the fiscal year that utilized state funds and were subject to the public bid law.

Prior Comments and Recommendations

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

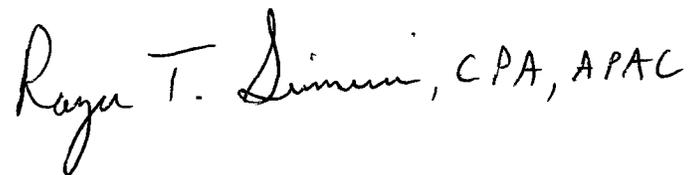
We reviewed the prior year report, dated May 4, 2022, which reflected no suggestions, exceptions, recommendations, and/or comments that have not been resolved.

We were engaged by the District to perform this agreed-upon procedures engagement and conducted our engagement 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 engagement, 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.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

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 Government 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.

Royce T. Scimemi, CPA, APAC

A handwritten signature in black ink that reads "Royce T. Scimemi, CPA, APAC". The signature is written in a cursive style with a large initial 'R' and 'S'.

ALLEN PARISH FIRE PROTECTION DISTRICT NO. 5

Oberlin, Allen Parish, Louisiana

LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Governmental Agencies)

May 09, 2023
(Date Transmitted)

Royce T. Scimemi, CPA, APAC
Attention: Mr. Royce T. Scimemi
Post Office Box 210
Oberlin, LA 70655

In connection with your engagement to apply agreed-upon procedures to the control and compliance matters identified below, as of December 31, 2022 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 state procurement code (R.S. 39:1551 – 39:1755); the public bid law (R.S. 38:2211-2296), and, where applicable, the regulations of the Division of Administration and the State Purchasing Office

Yes No [] N/A []

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 [] N/A []

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 [] N/A []

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 [] N/A []

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 [] N/A []

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

Yes No [] N/A []

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

Yes No [] N/A []

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 [] N/A []

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 [] N/A []

We have complied with R.S. 24:515.2 regarding reporting of pre- and post- adjudication court costs, fines and fees assessed or imposed; the amounts collected; the amounts outstanding; the amounts retained; the amounts disbursed, and the amounts received from disbursements.

Yes [] No [] N/A

Meetings

We have complied with the provisions of the Open Meetings Law, provided in R.S. 42:11 through 42:28.

Yes No [] N/A []

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 No [] N/A []

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 No [] N/A []

Prior-Year Comments

We have resolved all prior-year recommendations and/or comments.

Yes No [] N/A []

General

We acknowledge that we are responsible for the Agency's compliance with the foregoing laws and regulations and the internal controls over compliance with such laws and regulations.

Yes No [] N/A []

We acknowledge that we are responsible for determining that that the procedures performed are appropriate for the purposes of this engagement.

Yes No [] N/A []

We have evaluated our compliance with these laws and regulations prior to making these representations.

Yes No [] N/A []

We have provided you with all relevant information and access under the terms of our agreement.

Yes No [] N/A []

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations.

Yes No [] N/A []

We are not aware of any material misstatements in the information we have provided to you.

Yes No [] N/A []

We have disclosed to you any communications from regulatory agencies, internal auditors, other independent practitioners or consultants, and others concerning noncompliance with the foregoing laws and regulations, including communications received during the period under examination; and will disclose to you any such communication received between the end of the period under examination and the date of your report.

Yes No [] N/A []

We will disclose to you, the Legislative Auditor, and the applicable state grantor agency/agencies all known noncompliance and other events subsequent to the date of this representation and the date of your report that could have a material effect on our compliance with laws and regulations and the internal controls with such laws and regulations, or would require adjustment or modification to the results of the agreed-upon procedures.

Yes No [] N/A []

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

<u>Rita Lambright</u>	Secretary	<u>May 9, 2023</u>	Date
<u>Vallard J. Green</u>	Treasurer	<u>May 9, 2023</u>	Date
<u>Ramy Victoria</u>	President	<u>May 9, 2023</u>	Date

ALLEN PARISH FIRE PROTECTION DISTRICT NO. 5
Oberlin, Louisiana

Schedule of Findings and Responses

For the Year Ended December 31, 2022

1. Summary of Accountants' Results:

- a) Accountants issued a review report on the financial statements.
- b) The attestation procedures yielded evidence of noncompliance.

2. Findings Related to the Financial Statements Which Are Required to be Reported in Accordance with Generally Accepted Governmental Auditing Standards:

Findings – Financial Statement Review

Finding #2022-1 I/C:

Inadequate Segregation of Duties

Criteria: Because of the lack of a large staff, more specifically accounting personnel, there is insufficient segregation of duties necessary for proper controls. We do note that this situation is inherent in most entities of this type and is difficult to resolve due to the funding limitations of the District.

Condition: Relatively small governmental agency with limited resources.

Cause: Lack of a large staff.

Effect: Possible inadequate segregation of duties.

Recommendation: The board continue to take an active interest in the review of all of the financial information.

Response: The District will not change staff levels.

Finding #2022-2 C:

Possible Violation of Code of Ethics for Public Officials and Public Employees

Criteria: The Code of Ethics for Public Officials and Public Employees provides that at public servant and their immediate family members may not contract with the public servant's agency.

Condition: Board members and a department head as well as some of their immediate family members and many volunteer firemen attended weekly training sessions on fire and rescue and were compensated \$15 per meeting. The weekly training meetings were not call outs or life-threatening emergencies. They were preplanned gatherings. \$5,582.58 in compensation was paid to the public servants and their immediate families. This does not include per fire call out compensation to the board members or volunteer firefighters. Although the meetings may have been beneficial to the District, we cannot find any authoritative provisions that allow these payments for anyone attending those training meetings.

ALLEN PARISH FIRE PROTECTION DISTRICT NO. 5
Oberlin, Louisiana

Schedule of Findings and Responses-Continued

Year Ended December 31, 2022

Cause: Lack of understanding of the *Code of Ethics for Public Officials and Public Employees*.

Effect: Possible violation of the *Code of Ethics for Public Officials and Public Employees*.

Recommendation: Request an opinion from the Louisiana Board of Ethics regarding the ability of a volunteer fire district to compensate for weekly training meetings for volunteers, board members, and department heads.

Response: The board will seek guidance from the Louisiana Board of Ethics and follow their instructions.

Finding #2022-3 C:

Possible Failure to Comply with Information Return Preparation Requirements

Criteria: IRS regulations require that Forms 1099-NEC be prepared and submitted to the recipients and the IRS when compensation is paid for services of \$600 or more. The District paid ten individuals \$600 or more and no Form 1099s were issued for 2022.

Condition: Misunderstanding of IRS information return requirements.

Cause: Management oversight.

Effect: Possible failure to comply with IRS regulations.

Recommendation: The District should timely issue and file Form 1099s as required by IRS regulations in the future.

Response: The District will timely issue and file Form 1099s as required by IRS regulations in the future.

Finding #2022-4 C:

Local Governmental Budget Act Compliance

Criteria: The Louisiana Governmental Budget Act mandates vigorous documentary requirements for the District to adopt and monitor budgets.

Condition: Annual financial budgets were not timely prepared, adopted, or amended as required.

Cause: Management oversight.

Effect: Possible failure to comply with the Local Governmental Budget Act.

ALLEN PARISH FIRE PROTECTION DISTRICT NO. 5
Oberlin, Louisiana

Schedule of Findings and Responses-Continued

Year Ended December 31, 2022

Recommendation: The District should obtain an understanding of the requirements under the Local Government Budget Act and adopt a general fund budget for 2023 as soon as possible.

Response: The District will obtain an understanding of the requirements under the Local Government Budget Act, adopt an appropriate budget for 2023 as soon as possible, and monitor the budget for any required amendments. It will also do so for future years.

3. Findings and Questioned Costs for Federal Awards:

N/A