

6035

RECEIVED
LEGISLATIVE AUDITOR
06 JUN 21 AM 10:46

**ALLEN PARISH FIRE PROTECTION
DISTRICT NO. 5**
Oberlin, Louisiana

Financial Report

Year Ended December 31, 2005

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 8-9-06

TABLE OF CONTENTS

	<u>Page</u>
Independent Accountant's Report	1
BASIC FINANCIAL STATEMENTS	
GOVERNMENT-WIDE FINANCIAL STATEMENTS (GWFS)	
Statement of net assets	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 assets	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
SUPPLEMENTARY INFORMATION	
Independent accountant's report on applying agreed-upon procedures	25-27
Louisiana attestation questionnaire	28-29
Summary schedule of current and prior year findings and corrective action plan	30

J. L. SONNIER
CERTIFIED PUBLIC ACCOUNTANT

401 AUDUBON BLVD., SUITE 103-B
LAFAYETTE, LA 70503

INDEPENDENT ACCOUNTANT'S REPORT

(337) 235-8188
FAX: (337) 235-0913
RES.: (337) 984-5928

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

I have reviewed the accompanying financial statements of the governmental activities and major funds 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, 2005, which collectively comprise the District's basic financial statements as listed in the table of contents, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards* issued by the Comptroller General of the United States of America. All information included in these financial statements is the representation of the management of the Allen Parish Fire Protection District No. 5.

A review consists principally of inquiries of the District's personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, I do not express such an opinion.

Based on my review, I am not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with generally accepted accounting principles.

The budgetary comparison information on page 23 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. Such information has been subjected to the inquiry and analytical procedures applied in the review of the basic financial statements.

Management has not presented management's discussion and analysis information that the Governmental Accounting Standards Board has determined is required to supplement, although not required to be part of, the basic financial statements.

My review was made for the purpose of expressing limited assurance that there are no material modifications that should be made to the financial statements in order for them to be in conformity with generally accepted accounting principles. The information included on pages 25-30 is presented only for supplementary analysis purposes. Such information has been subjected to the inquiry and analytical procedures applied in the review of the basic financial statements, and I am not aware of any material modifications that should be made thereto.



June 9, 2006

BASIC FINANCIAL STATEMENTS

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

ALLEN PARISH FIRE PROTECTION DISTRICT NO. 5
Oberlin, Louisiana

Statement of Net Assets
December 31, 2005

	<u>Governmental Activities</u>
ASSETS	
Cash and interest-bearing deposits	\$ 166,552
Taxes receivable	175,448
Capital assets, net	<u>622,346</u>
Total assets	<u>964,346</u>
LIABILITIES	
Accounts, salaries and other payables	3,503
Interest payable	12,027
Long-term liabilities:	
Due within one year	40,000
Due in more than one year	<u>695,000</u>
Total liabilities	<u>750,530</u>
NET ASSETS	
Invested in capital assets, net of related debt	(112,654)
Restricted for debt service	183,361
Unrestricted	<u>143,109</u>
Total net assets	<u>\$ 213,816</u>

See accompanying notes and accountant's report.

ALLEN PARISH FIRE PROTECTION DISTRICT NO. 5
Oberlin, Louisiana

Statement of Activities
For the Year Ended December 31, 2005

Activities	Program Revenues			Net (Expense) Revenues and Changes in Net Assets
Governmental activities:	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Public safety	\$ 159,206	\$ 18,884	\$ 56,619	\$ (83,703)
Interest on long-term debt	36,397	-	-	(36,397)
Total governmental activities	<u>\$ 195,603</u>	<u>\$ 18,884</u>	<u>\$ 56,619</u>	<u>(120,100)</u>
General revenues:				
Taxes:				
Property taxes, levied for general purposes				75,192
Property taxes, levied for debt service				118,286
Interest and investment earnings				5,631
Miscellaneous				<u>1,000</u>
Total general revenues				<u>200,109</u>
Change in net assets				80,009
Net assets - January 1, 2005				<u>133,807</u>
Net assets - December 31, 2005				<u>\$ 213,816</u>

See accompanying notes and accountant's report.

FUND FINANCIAL STATEMENTS (FFS)

ALLEN PARISH FIRE PROTECTION DISTRICT NO. 5
Oberlin, Louisiana

Balance Sheet - Governmental Funds
December 31, 2005

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total</u>
ASSETS				
Cash and interest-bearing deposits	\$ 82,491	\$ 84,061	\$ -	\$ 166,552
Receivables -				
Ad valorem taxes	66,144	109,304	-	175,448
Due from other funds	-	2,223	-	2,223
Total assets	<u>\$ 148,635</u>	<u>\$ 195,588</u>	<u>\$ -</u>	<u>\$ 344,223</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 1,831	\$ -	\$ -	\$ 1,831
Payroll tax payable	1,672	-	-	1,672
Due to other funds	2,223	-	-	2,223
Total liabilities	<u>5,726</u>	<u>-</u>	<u>-</u>	<u>5,726</u>
Fund balances:				
Reserved for debt service	-	195,588	-	195,588
Unreserved, undesignated	142,909	-	-	142,909
Total fund balances	<u>142,909</u>	<u>195,588</u>	<u>-</u>	<u>338,497</u>
Total liabilities and fund balances	<u>\$ 148,635</u>	<u>\$ 195,588</u>	<u>\$ -</u>	<u>\$ 344,223</u>

See accompanying notes and accountant's report.

ALLEN PARISH FIRE PROTECTION DISTRICT NO. 5
Oberlin, Louisiana

Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Assets
December 31, 2005

Total fund balances for the governmental funds at December 31, 2005		\$ 338,497
Total net assets reported for governmental activities in the statement of net assets 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 \$42,836 accumulated depreciation	120,138	
Machinery and equipment, net of \$404,117 accumulated depreciation	<u>490,208</u>	622,346
Long-term liabilities at December 31, 2005:		
Bonds payable	\$ 735,000	
Accrued interest payable	<u>12,027</u>	<u>(747,027)</u>
Total net assets of governmental activities at December 31, 2005		<u>\$ 213,816</u>

See accompanying notes and accountant's 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, 2005

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total</u>
Revenue:				
Ad valorem taxes	\$ 75,192	\$ 118,286	\$ -	\$ 193,478
Intergovernmental				
Grants- federal	61,952	-	-	61,952
Grants-state				
Supplemental pay	3,600	-	-	3,600
Fire insurance rebate	9,951			9,951
Interest	3,076	2,555	-	5,631
Miscellaneous	1,000	-	-	1,000
Total revenues	<u>154,771</u>	<u>120,841</u>	<u>-</u>	<u>275,612</u>
Expenditures:				
Current -				
Public safety:				
Professional fees	3,118	-	-	3,118
Auto expense	2,640	-	-	2,640
Fuel	7,797	-	-	7,797
Insurance	20,691	-	-	20,691
Maintenance	5,124	-	-	5,124
Office supplies	870	-	-	870
Pension commission	1,938	3,203	-	5,141
Postage	147	-	-	147
Salaries	23,698	-	-	23,698
Supplies	12,016	-	-	12,016
Taxes and licenses	1,813	-	-	1,813
Utilities	4,540	-	-	4,540
Capital outlay	56,619	-	-	56,619
Debt service -				
Principal	-	40,000	-	40,000
Interest and fiscal charges	-	37,030	-	37,030
Total expenditures	<u>141,011</u>	<u>80,233</u>	<u>-</u>	<u>221,244</u>
Excess of revenues over expenditures	<u>13,760</u>	<u>40,608</u>	<u>-</u>	<u>54,368</u>
Other financing sources (uses):				
Transfers in	-	495	-	495
Transfers out	-	-	(495)	(495)
Total other financing sources (uses):	<u>-</u>	<u>495</u>	<u>(495)</u>	<u>-</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>13,760</u>	<u>41,103</u>	<u>(495)</u>	<u>54,368</u>
Fund balances, beginning	<u>129,149</u>	<u>154,485</u>	<u>495</u>	<u>284,129</u>
Fund balances, ending	<u>\$ 142,909</u>	<u>\$ 195,588</u>	<u>\$ -</u>	<u>\$ 338,497</u>

See accompanying notes and accountant's 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, 2005

Total net changes in fund balances at December 31, 2005 per Statement of Revenues, Expenditures and Changes in Fund Balances	\$ 54,368
The change in net assets reported for governmental activities in the statement of activities is different because:	
Add: Capital outlay costs which are considered as expenditures on Statement of Revenues, Expenditures and Changes in Fund Balances	56,619
Less: Depreciation expense for the year ended December 31, 2005	(71,611)
Add: Principal retirement considered as an expenditure on Statement of Revenues, Expenditures and Changes in Fund Balances	40,000
Add: Difference between interest on long-term debt on modified accrual basis versus interest on long-term debt on accrual basis	<u>633</u>
Total changes in net assets at December 31, 2005 per Statement of Activities	<u>\$ 80,009</u>

See accompanying notes and accountant's 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. Financial 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 Ward 1 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, 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.

Governmental Accounting Standards Board (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. This criteria includes:

1. Appointing a voting majority of an organizations' governing body, and
 - a. The ability of the police jury to impose its will on that organization and/or

ALLEN PARISH FIRE PROTECTION DISTRICT NO. 5
Oberlin, Louisiana

Notes to Basic Financial Statements (Continued)

- 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 maintained by the District and do not present information on the police jury, the general government services provided by the policy jury, or the other governmental units that comprise the financial reporting entity.

B. Basis of Presentation

Government-Wide Financial Statements (GWFS)

The statement of net assets and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues.

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

C. Fund Accounting

The accounts of the District are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are summarized by providing a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

ALLEN PARISH FIRE PROTECTION DISTRICT NO. 5
Oberlin, Louisiana

Notes to Basic Financial Statements (Continued)

The District maintains three funds. They are categorized as governmental funds. The emphasis on fund financial statements is on major governmental funds, each displayed in a separate column. A fund is considered major if it is the primary operating fund of the entity or meets the following criteria:

- a. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and
- b. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The major funds of the District are described below:

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 Fund -

The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, long-term debt principal, interest, and related costs.

Capital Projects Fund -

The Capital Projects Fund is used to account for financial resources received and used for the acquisition, construction or improvement of capital facilities and equipment not reported in the other governmental funds.

D. Measurement Focus/Basis of Accounting

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

Measurement Focus

On the government-wide statement of net assets and the statement of activities, governmental activities are presented using the economic resources measurement focus as defined in item b. below.

ALLEN PARISH FIRE PROTECTION DISTRICT NO. 5
Oberlin, Louisiana

Notes to Basic Financial Statements (Continued)

In the fund financial statements, the "current financial resources" measurement focus or the "economic resources" measurement focus is used as appropriate:

- a. The governmental funds utilize a "current financial resources" measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. Their funds use fund balance as their measure of available spendable financial resources at the end of the period.
- b. The government-wide financial statement utilizes an "economic resources" measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net assets (or cost recovery) and financial position. All assets and liabilities (whether current or noncurrent) associated with the District's activities are reported. Government-wide fund equity is classified as net assets.

Basis of Accounting

In the government-wide statement of net assets and statement of activities, the governmental 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.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures (including capital outlay) generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

ALLEN PARISH FIRE PROTECTION DISTRICT NO. 5
Oberlin, Louisiana

Notes to Basic Financial Statements (Continued)

E. Assets, Liabilities 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.

Due to/from other funds

Interfund receivables and payables arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed.

Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the governmental activities column in the government-wide financial statements. 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 market value at the date of donation. The District maintains a threshold level of \$500 or more for capitalizing capital assets.

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 assets. 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	20-25 years
Machinery and equipment	5-15 years

Equity Classifications

In the government-wide statements, equity is classified as net assets 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.

ALLEN PARISH FIRE PROTECTION DISTRICT NO. 5
Oberlin, Louisiana

Notes to Basic Financial Statements (Continued)

- b. Restricted net assets – Consists of net assets 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 assets – All other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

In the fund financial statements, governmental fund equity is classified as fund balance. Fund balance is further classified as reserved and unreserved, with unreserved further split between designated and undesignated.

F. Revenues, Expenditures, and Expenses

Expenditures/Expenses

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

The District received federal funds during 2005 from the Federal Emergency Management Agency (FEMA). Two grants were received and were reimbursable, ie, costs were incurred by the District, submitted for payment and reimbursed by FEMA. The first grant for \$56,619 was for purchase of fire protection equipment and the second grant for \$5,333 was for reimbursement of costs associated with Hurricane Rita. The District also recognized revenue and expenditure for on-behalf salary payments of \$3,600 from the State of Louisiana.

The District uses unrestricted resources only when restricted resources are fully depleted.

G. Budget and Budgetary Accounting

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

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

A summary of the proposed budget is published and the public notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.

ALLEN PARISH FIRE PROTECTION DISTRICT NO. 5
Oberlin, Louisiana

Notes to Basic Financial Statements (Continued)

A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing.

After the holding of the public hearing and the completion of all action necessary to finalize and implement the budget, the budget is adopted through passage of resolution prior to the commencement of the fiscal year for which the budget is being adopted.

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

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

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

H. 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.

I. Bad Debts

Uncollectible amounts due for ad valorem taxes and other revenues are recognized as bad debts at the time information becomes available which would indicate uncollectibility of the receivable. Although the specific charge -off method is not in conformity with generally accepted accounting principles (GAAP), no allowance for uncollectible receivables was made due to immateriality at December 31, 2005.

J. 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, 2005.

ALLEN PARISH FIRE PROTECTION DISTRICT NO. 5
Oberlin, Louisiana

Notes to Basic Financial Statements (Continued)

(2) 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, 2005, the District had interest-bearing deposits (book balances) totaling \$166,552.

These deposits are stated at cost, which approximates market. 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 will not be able to recover the collateral securities that are in the possession of an outside party. 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. Deposit balances (bank balances) at December 31, 2005 were secured as follows:

Bank balances	<u>\$ 168,128</u>
Federal deposit insurance	\$ 100,000
Pledged securities (Category 3)	<u>68,128</u>
Total FDIC insurance and pledged securities	<u>\$ 168,128</u>

Pledged securities in Category 3 include uninsured or unregistered investments, for which securities are held by the broker or dealer, or by its trust department or agent, but not in the District name. Even though the pledged securities are considered uncollateralized (Category 3), Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the District that the fiscal agent has failed to pay deposited funds upon demand.

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

(3) 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.

ALLEN PARISH FIRE PROTECTION DISTRICT NO. 5
Oberlin, Louisiana

Notes to Basic Financial Statements (Continued)

For the year ended December 31, 2005, taxes of 19.26 mills were levied on property with taxable assessed valuations totaling \$13,034,860, and were dedicated as follows:

Maintenance	7.26 mills
Bond sinking	12.00 mills

Total taxes levied for 2005 were \$251,052, of which \$70,463 was excluded due to homestead exemption. Taxes receivable at December 31, 2005 were \$175,448.

(4) Taxes Receivable

Taxes receivable consisted of 2005 property taxes which will be collected by the Allen Parish Sheriff's Office and subsequently remitted to the District.

(5) Capital Assets

Capital asset balances and activity for the year ended December 31, 2005 is as follows:

	Balance 01/01/05	Additions	Deletions	Balance 12/31/2005
Capital assets not being depreciated:				
Land	\$ 12,000	\$ -	\$ -	\$ 12,000
Other capital assets:				
Buildings and improvements	162,974	-	-	162,974
Machinery and equipment	837,706	56,619	-	894,325
Total	1,012,680	56,619	-	1,069,299
Less accumulated depreciation:				
Buildings and improvements	36,280	6,556	-	42,836
Machinery and equipment	339,062	65,055	-	404,117
Total	375,342	71,611	-	446,953
Net capital assets	\$ 637,338	\$ (14,992)	\$ -	\$ 622,346

Depreciation expense of \$71,611 was charged to the public safety function for the fiscal year ending December 31, 2005.

ALLEN PARISH FIRE PROTECTION DISTRICT NO. 5
Oberlin, Louisiana

Notes to Basic Financial Statements (Continued)

(6) 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	\$ 775,000
Additions	-
Deductions	(40,000)
Long-term liabilities payable at December 31	\$ 735,000

Bonds payable is comprised of the following individual issue:

\$950,000 general obligation bonds dated June 1, 1998 due in annual installments of \$40,000 to \$75,000 through March 1, 2018; interest at 4.50% to 5.10%; secured by levy and collection of ad valorem taxes	\$ 735,000
--	------------

The bonds are due as follows:

Year Ending December 31,	Principal	Interest	Total
2006	40,000	35,110	75,110
2007	40,000	33,140	73,140
2008	45,000	30,993	75,993
2009	45,000	28,833	73,833
2010	50,000	26,632	76,632
2011 - 2015	295,000	93,060	388,060
2016 - 2018	220,000	17,050	237,050
	\$ 735,000	\$ 264,818	\$ 999,818

(7) 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. The District did not reduce insurance coverage during 2005.

ALLEN PARISH FIRE PROTECTION DISTRICT NO. 5
Oberlin, Louisiana

Notes to Basic Financial Statements (Continued)

(8) Pending Litigation

There are no lawsuits pending against the District at December 31, 2005.

(9) Interfund Transactions

A. Receivables and Payables

The interfund receivable and payable in the amount of \$2,223 at December 31, 2005 consisted of the amount due to the General Fund from the Debt Service Fund for short-term loans.

B. Transfers

A transfer in the amount of \$495 was made during the year ended December 31, 2005 from the Capital Projects Fund to the Debt Service Fund in order to reimburse the Debt Service Fund for an amount due for a short-term loan, which closed out the Capital Projects Fund.

**REQUIRED
SUPPLEMENTARY INFORMATION**

ALLEN PARISH FIRE PROTECTION DISTRICT NO. 5
Oberlin, Louisiana

Budgetary Comparison Schedule
General Fund
For the Year Ended December 31, 2005

	Budget		Actual	Variance
	Original	Final		Favorable (Unfavorable)
Revenue:				
Ad valorem taxes	\$ 56,000	\$ 60,000	\$ 75,192	\$15,192
Intergovernmental				
Grants - federal	-	56,619	61,952	5,333
Grants -state				
Supplemental pay	2,500	3,600	3,600	-
Fire insurance rebate	-	9,951	9,951	-
Interest	-	3,000	3,076	76
Miscellaneous	-	999	1,000	1
Total revenues	<u>58,500</u>	<u>134,169</u>	<u>154,771</u>	<u>20,602</u>
Expenditures:				
Current -				
Public safety:				
Professional fees	1,800	3,000	3,118	(118)
Auto expense	2,500	2,800	2,640	160
Fuel	3,500	8,000	7,797	203
Insurance	15,000	21,000	20,691	309
Maintenance	1,400	5,000	5,124	(124)
Office supplies	600	800	870	(70)
Pension commission	2,000	2,000	1,938	62
Postage	50	150	147	3
Salaries	19,800	24,000	23,698	302
Supplies	6,000	12,500	12,016	484
Taxes and licenses	1,550	1,900	1,813	87
Utilities	3,400	4,400	4,540	(140)
Total public safety	<u>57,600</u>	<u>85,550</u>	<u>84,392</u>	<u>1,158</u>
Capital outlay	<u>900</u>	<u>56,619</u>	<u>56,619</u>	<u>-</u>
Total expenditures	<u>58,500</u>	<u>142,169</u>	<u>141,011</u>	<u>1,158</u>
Excess (deficiency) of revenues over expenditures	-	(8,000)	13,760	21,760
Fund balance, beginning	<u>129,149</u>	<u>129,149</u>	<u>129,149</u>	<u>-</u>
Fund balance, ending	<u>\$129,149</u>	<u>\$121,149</u>	<u>\$142,909</u>	<u>\$21,760</u>

See accountant's report.

SUPPLEMENTARY INFORMATION

J. L. SONNIER
CERTIFIED PUBLIC ACCOUNTANT

401 AUDUBON BLVD., SUITE 103-B
LAFAYETTE, LA 70503

(337) 235-8188
FAX: (337) 235-0913
RES.: (337) 984-5928

**Independent Accountant's Report
on Applying Agreed-Upon Procedures**

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

I have performed the procedures included in the *Louisiana Government Audit Guide* and enumerated below, which were agreed to by the management of the Allen Parish Fire Protection District No. 5 and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the District's compliance with certain laws and regulations during the year ended December 31, 2005 included in the accompanying *Louisiana Attestation Questionnaire*. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants and applicable standards of Government Auditing Standards. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, I make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Public Bid Law

1. Select all expenditures made during the year for material and supplies exceeding \$20,000, or public works exceeding \$100,000, and determine whether such purchases were made in accordance with LSA-RS 38:2211-2251 (the public bid law).

I examined supporting documentation for the one material and supplies expenditure exceeding \$20,000. There were no public works expenditures exceeding \$100,000. Although the District requested quotes for the \$39,276 firefighting equipment purchase, it did not advertise for bids as required by the public bid law.

Code of Ethics for Public Officials and Public Employees

2. Obtain from management a list of the immediate family members of each board member as defined by LSA-RS 42:1101-1124 (the code of ethics), and a list of outside business interests of all board members and employees, as well as their immediate families.

Management provided me with the required list including the noted information.

3. Obtain from management a listing of all employees paid during the period under examination.

Management provided me with the required list.

4. Determine whether any of those employees included in the listing obtained from management in agreed-upon procedure (3) were also included on the listing obtained from management in agreed-upon procedure (2) as immediate family members.

None of the employees included on the list of employees provided by management [agreed-upon procedure (3)] appeared on the list provided by management in agreed-upon procedure (2).

Budgeting

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

Management provided me with copies of the original and amended budgets.

6. Trace the budget adoption and amendments to the minute book.

I traced the adoption of the original and amended budgets to the minute book.

7. Compare the revenues and expenditures of the final budget to actual revenues and expenditures to determine if actual revenues failed to meet budgeted revenues by 5% or more or if actual expenditures exceed budgeted amounts by 5% or more.

Actual revenues were in excess of budget and actual expenditures were less than budgeted.

Accounting and Reporting

8. Randomly select 6 disbursements made during the period under examination and:

- (a) trace payments to supporting documentation as to proper amount and payee;
- (b) determine if payments were properly coded to the correct fund and general ledger account;
and
- (c) determine whether payments received approval from proper authorities.

I selected six disbursements, examined the underlying documentation and verified that payment was for the proper amount, to the correct payee and coded to the correct fund and general ledger account. The bills contained no indication (such as initialing) of being approved by the proper authorities.

Meetings

9. Examine evidence indicating that agendas for meetings recorded in the minute book were posted or advertised as required by LSA-RS 42:1 through 42:12 (the open meetings law).

I examined evidence indicating that meeting agendas were posted in accordance with the open meetings law.

Debt

10. Examine bank deposits for the period under examination and determine whether any such deposits appear to be proceeds of bank loans, bonds, or like indebtedness.

I examined 2005 bank deposits and noted none which appeared to be proceeds of bank loans, bonds, or like indebtedness.

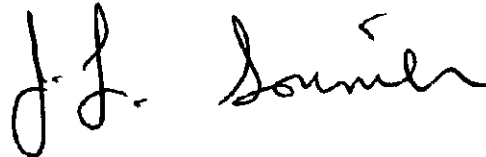
Advances and Bonuses

11. Examine payroll records and minutes for the year to determine whether any payments have been made to employees which may constitute bonuses, advances, or gifts.

I read the minutes of the District and examined payroll records for 2005, and noted no approvals or payments for bonuses, advances or gifts.

I was not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, I do not express such an opinion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

This report is intended solely for the use of management of Allen Parish Fire Protection District No. 5 and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

A handwritten signature in cursive script, appearing to read "J. J. Souther".

June 9, 2006

LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Government)

5/31/05 (Date Transmitted)

J. L. SONNIER, CPA
401 AUDUBON BLVD. SUITE 103-B
LAFAYETTE LA 70503

(Auditors)

In connection with your review of our financial statements as of ~~(date)~~ ^{12/31/05} and for the year then ended, and as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulations and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of ~~(date of completion/representations)~~ ^{5/31/06}.

Public Bid Law

It is true that we have complied with the public bid law, LSA-RS Title 38:2212, and, where applicable, the regulations of the Division of Administration, State Purchasing Office..

Yes No []

Code of Ethics for Public Officials and Public Employees

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

Yes No []

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

Yes No []

Budgeting

We have complied with the state budgeting requirements of the Local Government Budget Act (LSA-RS 39:1301-14) or the budget requirements of LSA-RS 39:34.

Yes No []

Accounting and Reporting

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

Yes No []

We have filed our annual financial statements in accordance with LSA-RS 24:514, 33:463, and/or 39:92, as applicable.

Yes [] No []

We have had our financial statements audited or compiled in accordance with LSA-RS 24:513.

Yes [] No []

Meetings

We have complied with the provisions of the Open Meetings Law, provided in RS 42:1 through 42:12.

Yes [] No []

Debt

It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and LSA-RS 39:1410.60-1410.65.

Yes [] No []

Advances and Bonuses

It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, LSA-RS 14:138, and AG opinion 79-729.

Yes [] No []

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

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We acknowledge our responsibility to disclose to you any known noncompliance which may occur subsequent to the issuance of your report.

<u><i>Samuel Kelly</i></u>	FIRE CHIEF Secretary	<u>5-31-06</u>	Date
<u><i>Martha de Blue</i></u>	Treasurer	<u>5/31/06</u>	Date
<u><i>X Marky Emond</i></u>	President	<u>X 5-31-06</u>	Date
<i>Tony Hebert</i>		<i>5-31-06</i>	
<i>Scott Manuel</i>		<i>5-31-06</i>	
<i>Kenneth Chaumont</i>		<i>5/31/06</i>	

ALLEN PARISH FIRE PROTECTION DISTRICT NO. 5

Summary Schedule of Current and Prior Year Findings
and Corrective Action Plan
For the Year Ended December 31, 2005

<u>Fiscal Year</u> <u>Finding</u> <u>Initially</u> <u>Occurred</u>	<u>Description of finding</u>	<u>Corrective</u> <u>Action</u> <u>Taken</u>	<u>Corrective Action Planned</u>	<u>Name of</u> <u>Contact Person</u>	<u>Anticipated</u> <u>Completion</u> <u>Date</u>
<u>Ref. No.</u> CURRENT YEAR (12/31/05) --					
<u>Internal Control:</u> 05-1 (IC)	District management approving bills prior to payment should document that control by initialing and dating such that it can later be determined who approved the payment and when.	Yes	The District agrees with this finding and will require the Board to approve payment of bills by examining, initialing and dating each invoice so as to demonstrate proper approval of expenditures.	Robbie Evans, Chairman	12/31/2006
<u>Compliance:</u> 05-1 (C)	The District purchased equipment costing more than \$20,000 and failed to advertise for bids as required by the public bid law.	Yes	The District agrees with this finding and will ensure proper advertisement of materials and supplies purchases over \$20,000.	Robbie Evans, Chairman	12/31/2006

PRIOR YEAR (12/31/04) - -

There were no prior year findings