

**TANGIPAHOA PARISH RURAL FIRE PROTECTION DISTRICT NO. 2  
(A COMPONENT UNIT OF THE TANGIPAHOA PARISH GOVERNMENT)  
AMITE, LOUISIANA**

**ANNUAL FINANCIAL STATEMENTS**

**AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2019**

**Tangipahoa Parish Rural Fire Protection District No. 2**  
**(A Component Unit of the Tangipahoa Parish Government)**

**Amite, Louisiana**

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## INDEPENDENT AUDITOR'S REPORT

To the Members of the Board of Commissioners of  
Tangipahoa Parish Rural Fire Protection District No. 2  
Amite, Louisiana

### **Report on the Financial Statements**

I have audited the accompanying financial statements of the governmental activities, the general fund, and the aggregate discretely presented component units of the Tangipahoa Parish Rural Fire Protection District No. 2 (the District) a component unit of the Tangipahoa Parish Government, Amite, Louisiana, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

My responsibility is to express opinions on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

***Opinions***

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the general fund, and the aggregate discretely presented component units of the Tangipahoa Parish Rural Fire Protection District No. 2 of Amite City, Louisiana, as of December 31, 2019, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Other Matters***

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the budgetary comparison schedules on page 38 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

*Other Information*

My audit was conducted for the purpose of forming opinions of the financial statements that collectively comprise the District's basic financial statements. The schedule of compensation, benefits, and other payments to agency head is presented for purposes of additional analysis and is not required part of the basic financial statements.

This schedule of compensation, benefits, and other payments to agency head is the responsibility of management and is derived from and relate directly to the underlying accounting and other records used to prepare the basis financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the schedule of compensation, benefits, and other payments to agency head is fairly stated in all material respects in relation the basic financial statements as a whole.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, I have also issued my report dated September 24, 2020, on my consideration of the Town's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

  
Certified Public Accountant

September 24, 2020

**Required Supplemental Information (Part I):**  
**Management's Discussion and Analysis**

**Tangipahoa Parish Rural Fire Protection District No. 2**  
**(A Component Unit of the Tangipahoa Parish Government)**

**Amite, Louisiana**

Management's Discussion and Analysis  
For the Year Ended December 31, 2019

As management of the Tangipahoa Parish Rural Fire Protection District No. 2 (the "District"), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the year ended December 31, 2019. This Management Discussion and Analysis is designed to provide an objective and easy to read analysis of the District's financial activities based on currently known facts, decisions, or conditions. It is designed to be read in conjunction with the financial statements and to provide readers with a broad overview of District finances. It is also intended to provide readers with an analysis of the short and long-term activities of the District based on information presented in this financial report, as well as fiscal policies that have been adopted by the District. Specifically, this section is designed to assist the reader in focusing on significant financial issues, provide an overview of the District's financial activity, identify changes in the District's financial position, identify any material deviations from the financial plan (the approved budget), and identify individual fund issues or concerns.

As with other sections of this financial report, the information contained within this section should be considered only a part of a greater whole. The readers of this statement should take time to read and evaluate all sections of this report, including the footnotes and the other Required Supplemental Information that is provided.

**Financial Highlights**

- Total assets for the year were \$15,824,981 as of December 31, 2019, and exceeded liabilities in the amount of \$14,103,381 (i.e., net position). Of the total net position, the unrestricted amount was a positive \$5,828,373 and the remaining value of \$8,275,008 was invested in capital assets.
- The District's total revenues for the year increased from the prior year by 6.18% from \$6,611,057 to \$7,019,324, essentially remaining relatively flat from the prior year.
- Expenses for the year increased by \$550,529, or 8.21%, from the prior year from \$6,706,618 to \$7,257,147.
- Total governmental net position decreased by \$237,823 over the prior fiscal year.

**Overview of the Financial Statements**

This management's discussion and analysis is intended to serve as an introduction to the District's financial statements. The District's financial statements consist of the following components:

- Government-Wide Financial Statements,
- Fund Financial Statements,
- Notes to the Financial Statements,
- Required Supplementary Information and
- Other Supplemental Information, which is in addition to the financial statements themselves.

**Government-Wide Financial Statements**

Government-wide financial statements required by Governmental Accounting Standards Board Statement 34 provide readers with a concise "entity-wide" Statement of Net Position and Statement of Activities, seeking to give the financial statement users a broad overview of the District's financial position and results of operations similar to a private-sector business.

**Tangipahoa Parish Rural Fire Protection District No. 2**  
**(A Component Unit of the Tangipahoa Parish Government)**

**Amite, Louisiana**

Management's Discussion and Analysis (Continued)

For the Year Ended December 31, 2019

- The Statement of Net Position presents information on all of the District's assets and liabilities using the accrual basis of accounting, which is similar to the accounting method used by most private-sector companies. The difference between the assets and liabilities is reported as net position. Over time, increases or decreases in net position may serve as an indicator of whether the financial position of the District is improving or weakening.
- The Statement of Activities presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation time).

The government-wide financial statements include not only the District itself (known as the primary government), but also eight component units: Hammond Rural Fire Department, Inc.; Husser Volunteer Fire Department, Inc.; Independence Volunteer Fire Department, Inc.; Loranger Volunteer Fire Department, Inc.; Manchac Volunteer Fire Department, Inc.; Ponchatoula Volunteer Fire Department, Inc.; Wilmer Volunteer Fire Department, Inc.; and Eighth Ward Volunteer Fire Department, Inc. Financial information for these Volunteer Fire Departments are reported separately from the financial information presented for the primary government itself.

**Government-Wide Financial Analysis**

The purpose of financial analysis is to help determine whether the District is in a healthier financial state due to the current year's activities. In this analysis, data from two of the basic financial statements, the Statement of Net Position and the Statement of Activities, are presented on the next page in condensed format. Following these statements is a separate schedule summarizing and analyzing budget changes for the current fiscal year.

**Condensed Statement of Net Position**

	2019	2018	\$ Change	% Change
Assets:				
Current and Other Assets	\$ 7,410,796	\$ 7,345,699	\$ 65,097	0.89%
Land	499,250	499,250	-	0.00%
Capital Assets, Net	7,914,935	8,191,547	(276,612)	-3.38%
Total Assets	\$ 15,824,981	\$ 16,036,496	\$ (211,515)	-1.32%
Liabilities:				
Current Liabilities	\$ 1,618,653	\$ 1,571,669	\$ 46,984	2.99%
Long-Term Debt	102,947	53,084	49,863	93.93%
Total Liabilities	\$ 1,721,600	\$ 1,624,753	\$ 96,847	5.96%
Net Position:				
Net Investment in Capital Assets	\$ 8,275,008	\$ 8,620,990	\$ (345,982)	-4.01%
Unrestricted Net Position	5,828,373	5,790,753	37,620	0.65%
Total Net Position	\$ 14,103,381	\$ 14,411,743	\$ (308,362)	-2.14%

**Tangipahoa Parish Rural Fire Protection District No. 2**  
**(A Component Unit of the Tangipahoa Parish Government)**

**Amite, Louisiana**

Management's Discussion and Analysis (Continued)  
For the Year Ended December 31, 2019

The District's assets exceeded its liabilities at the close of the most recent fiscal year by \$14,103,381 (net position). The net position of the District's governmental activities decreased by \$308,362 primarily as a result of additional funds being transferred to the Volunteer Fire Department component units of the District.

The largest portion of the District's net position (58.67%) reflects its investment in capital assets (e.g., land, buildings, vehicles, equipment, etc.), less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

**Condensed Statement of Activities**

	2019	2018	\$ Change	% Change
Revenues:				
Program Revenues	\$ 286,404	\$ 272,654	\$ 13,750	5.04%
General Revenues	6,732,920	6,338,403	394,517	6.22%
Total Revenues	7,019,324	6,611,057	408,267	6.18%
Expenses:				
Governmental Activities	7,257,147	6,706,618	550,529	8.21%
Total Expenses	7,257,147	6,706,618	550,529	8.21%
Change in Net Position	(237,823)	(95,561)	(142,262)	148.87%
Net Position:				
Beginning of the Year	14,411,743	14,525,421	(113,678)	-0.78%
Prior Period Adjustment	(70,539)	(18,117)	(52,422)	289.35%
Beginning - Restated	14,341,204	14,507,304	(166,100)	-1.14%
Net Position - End of Year	\$ 14,103,381	\$ 14,411,743	\$ (308,362)	-2.14%

While the Statement of Net Position shows the change in financial position of net position, the Statement of Activities provides answers to the nature and scope of these changes. Total Revenues increased by \$408,267, primarily due to an increase in property tax revenues over the prior year. Total expenses increased by \$550,529 over the prior year. Expenses for governmental activities increased due to an increase in property tax revenues. This increase in property tax revenues was used to increase "Fire Contract Payments" to the District's component units.

**Fund Financial Statements**

For governmental activities, these statements depict how services were financed with a short-term focus as well as what remains for future spending. Fund financial statements provide more detail than the government-wide statements for the District's most significant funds. The fund financial statements should be viewed as providing detailed information about a specific fund rather than District as a whole.

Governmental Fund – this fund provides a short-term view for the reader of the financial statements. This fund is designed to provide the user with information on short-term inflows and outflows of spendable

**Tangipahoa Parish Rural Fire Protection District No. 2**  
**(A Component Unit of the Tangipahoa Parish Government)**

**Amite, Louisiana**

Management's Discussion and Analysis (Continued)  
For the Year Ended December 31, 2019

resources as well as balances of those resources near the end of the year. The governmental fund is presented using an accounting method called modified accrual. Modified accrual measures cash and all other financial assets that are easily converted to cash. The financial information displayed in the governmental fund assists the user in determining if the District has sufficient financial resources to operate in the short term. The District has one major fund, which is the general fund. The general fund is reconciled back to the fund balance displayed in the governmental activities in Exhibit F.

Notes to the Financial Statements – The notes provide additional information that is necessary to fully understand the data provided in the government-wide and fund financial statements.

Other Information – Required supplementary information (budget vs. actual schedules) is also presented in these financial statements. This information should be read in conjunction with the financial statements.

**Budgetary Highlights**

The District adopts an annual budget in accordance with the appropriate provisions of Louisiana laws. This budget provides an estimate for the current fiscal year of the proposed expenditures and the revenues that will finance the operations of the District. A summary of the approved budget for the District's General Fund is presented below in condensed format summarizing major revenue and expenditure categories, and is followed by analysis of significant variations between budget and actual amounts. Although not presented as part of the basic financial statements, a more detailed schedule is also presented in Schedule 1 as supplementary information, following the footnotes to the financial statements.

Total revenues for the General Fund exceeded budgeted revenues by \$270,801. Actual expenditures exceeded budgeted expenditures by \$257,896.

**Capital Asset and Debt Administration**

*Capital Assets*

The District's investment in capital assets for its governmental activities as of December 31, 2019, amounts to \$8,414,185 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, fire trucks, and equipment.

The majority of the additions for the year were for the purchase of a new fire truck (\$296,735) and for new pickup trucks (\$170,444). The remaining purchases were generally for small equipment. Additional information on the District's capital assets can be found in the footnotes of this report.

*Long-Term Debt*

At the end of the current fiscal year, the District had total outstanding debt of \$139,177. Additional information on the District's long-term debt can be found in the footnotes of this report.

**Economic Factors and Next Year's Budget**

For 2020, the District budgeted revenues and expenditures to remain fairly consistent with regards to 2019. Property tax collections have returned to normal following severe flooding that took place in Tangipahoa Parish in 2016, and future property tax assessments are anticipated to see steady growth over time.

**Tangipahoa Parish Rural Fire Protection District No. 2**  
**(A Component Unit of the Tangipahoa Parish Government)**

**Amite, Louisiana**

Management's Discussion and Analysis (Concluded)

For the Year Ended December 31, 2019

**Requests for Information**

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Dennis Crocker, Fire Administrator, 114 North Laurel Street, Amite, Louisiana 70422.

## **Basic Financial Statements**

**Tangipahoa Parish Rural Fire Protection District No. 2**  
**(A Component Unit of the Tangipahoa Parish Government)**

Exhibit A

**Amite, Louisiana**  
 Statement of Net Position  
 December 31, 2019

	Primary Governmental Activities	Component Units
<b>Assets</b>		
Cash and Cash Equivalents	\$ 1,599,854	\$ 4,576,730
Investments	1,052	310,153
Ad Valorem Taxes Receivable, Net	5,454,049	-
State Revenue Sharing Receivable	317,200	-
Other Receivables	37,365	-
Due from Other Governments	-	997,750
Note Receivable - Due from Independence VFD	-	86,439
Note Receivable - Due from Loranger VFD	-	202,023
Prepaid Assets	1,276	77,122
Capital Assets Not Depreciated:		
Land	499,250	51,880
Capital Assets Being Depreciated, Net	7,914,935	829,636
<b>Total Assets</b>	15,824,981	7,131,733
<b>Liabilities</b>		
Accounts Payable	5,293	161,144
Payroll & Related Liabilities Payable	-	81,241
Ad Valorem Tax Deduction Payable	225,016	-
Due to Volunteer Fire Departments	1,352,114	-
Current (Short-Term) Obligations	36,230	36,022
Non-Current (Long-Term) Obligations	102,947	252,440
<b>Total Liabilities</b>	1,721,600	530,847
<b>Net Position</b>		
Net Investment in Capital Assets	8,275,008	881,516
Restricted for:		
Other Purposes	-	5,719,370
Unrestricted	5,828,373	-
<b>Total Net Position</b>	\$ 14,103,381	\$ 6,600,886

The accompanying notes are an integral part of this statement.

**Tangipahoa Parish Rural Fire Protection District No. 2**  
**(A Component Unit of the Tangipahoa Parish Government)**  
**Amite, Louisiana**

Exhibit B

Statement of Activities  
For the Year Ended December 31, 2019

Functions / Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary	Component
					Governmental Activities	Governmental Activities
<b>Primary Government:</b>						
Administration	\$ 264,026	\$ -	\$ -	\$ -	\$ (264,026)	\$ -
Pension Fund Mandate Deduction	225,016	-	-	-	(225,016)	-
Fire Contract Payments	5,234,525	-	-	-	(5,234,525)	-
2% Fire Insurance Rebate Payments	331,313	-	-	-	(331,313)	-
Municipal Fire Insurance Protection	286,404	286,404	-	-	-	-
Loss on Sale of Asset	1,379	-	-	-	(1,379)	-
Debt Service Interest	1,432	-	-	-	(1,432)	-
Depreciation Expense	913,052	-	-	-	(913,052)	-
Total Primary Government	<u>\$ 7,257,147</u>	<u>\$ 286,404</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(6,970,743)</u>	<u>-</u>
<b>Component Units:</b>						
Fire Protection Services	\$ 7,312,962	\$ 258,500	\$ 89,192	\$ -	-	(6,965,270)
Total Component Units	<u>\$ 7,312,962</u>	<u>\$ 258,500</u>	<u>\$ 89,192</u>	<u>\$ -</u>	<u>-</u>	<u>(6,965,270)</u>
<b>General Revenues:</b>						
Ad Valorem Taxes					5,845,813	-
State Revenue Sharing					475,800	-
2% Fire Insurance Rebate					331,313	-
Fire Contract Revenue					-	4,740,648
State Supplemental Pay					6,000	138,533
Interest Income					73,135	103,660
Miscellaneous Revenue					859	2,520,039
Total General Revenues					<u>6,732,920</u>	<u>7,502,880</u>
Change in Net Position					(237,823)	537,610
<b>Net Position - Beginning of Year, Originally Stated</b>					14,411,743	5,993,737
<b>Prior Period Adjustment</b>					(70,539)	69,539
<b>Net Position - Beginning of Year, Restated</b>					<u>14,341,204</u>	<u>6,063,276</u>
<b>Net Position - End of Year</b>					<u>\$ 14,103,381</u>	<u>\$ 6,600,886</u>

The accompanying notes are an integral part of this statement.

**Tangipahoa Parish Rural Fire Protection District No. 2**  
**(A Component Unit of the Tangipahoa Parish Government)**

Exhibit C

**Amite, Louisiana**

Governmental Fund Balance Sheet  
December 31, 2019

	General Fund
<b>Assets</b>	
Cash and Cash Equivalents	\$ 1,599,854
Investments	1,052
Ad Valorem Taxes Receivable, Net	5,454,049
State Revenue Sharing Receivable	317,200
Other Receivables	37,365
Prepaid Assets	1,276
Total Assets	\$ 7,410,796
<b>Liabilities and Fund Balance</b>	
Liabilities:	
Accounts Payable	\$ 5,293
Ad Valorem Tax Deduction Payable	225,016
Due to Volunteer Fire Departments	1,352,114
Total Liabilities	1,582,423
Fund Balance:	
Unassigned	5,828,373
Total Fund Balance	5,828,373
Total Liabilities and Fund Balance	\$ 7,410,796

The accompanying notes are an integral part of this statement.

**Tangipahoa Parish Rural Fire Protection District No. 2**  
**(A Component Unit of the Tangipahoa Parish Government)**  
**Amite, Louisiana**

Exhibit D

Reconciliation of the Governmental Fund Balance Sheet to the  
Government-Wide Statement of Net Position  
December 31, 2019

<b>Total Governmental Fund Balance (Exhibit C)</b>	\$ 5,828,373
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental fund.	8,414,185
Long-term liabilities are not due and payable in the current period, and therefore, are not reported in the governmental funds:	
Current (Short-Term) Obligations	(36,230)
Non-Current (Long-Term) Obligations	<u>(102,947)</u>
<b>Net Position of Governmental Activities (Exhibit A)</b>	<u>\$ 14,103,381</u>

The accompanying notes are an integral part of this statement.

**Tangipahoa Parish Rural Fire Protection District No. 2**  
**(A Component Unit of the Tangipahoa Parish Government)**  
**Amite, Louisiana**

Exhibit E

Statement of Governmental Fund Revenues, Expenditures, and  
Change in Fund Balance  
For the Year Ended December 31, 2019

	<u>General Fund</u>
<b>Revenues:</b>	
Ad Valorem Taxes	\$ 5,845,813
Intergovernmental Revenues:	
State Revenue Sharing	475,800
2% Fire Insurance Rebate	331,313
Interest Income	73,135
State Supplemental Pay	6,000
Municipal Fire Protection Revenue	286,404
Miscellaneous Revenues	<u>859</u>
Total Revenues	<u>7,019,324</u>
<b>Expenditures:</b>	
Public Safety - Fire Protection:	
Administration:	
Salaries & Related Benefits	126,213
Accounting & Audit	87,631
Data Processing	1,675
Fuel	2,223
Insurance	9,681
Office Supplies & Postage	2,262
Legal & Professional	1,393
Repairs & Maintenance	4,445
Supplies	9,318
Telephone	3,871
Training	840
Miscellaneous	14,474
Pension Fund Mandate Deduction	225,016
Fire Contract Payments	5,797,111
2% Fire Insurance Rebate Payments	331,313
Municipal Fire Insurance Protection	286,404
Debt Service - Principal	5,863
Debt Service - Interest	1,432
Capital Outlay	<u>102,213</u>
Total Expenditures	<u>7,013,378</u>
Excess of Revenues over Expenditures	5,946
<b>Other Financing Sources (Uses):</b>	
Issuance of Debt - Capital Leases	<u>102,213</u>
Total Other Financing Sources (Uses)	<u>102,213</u>
Net Change in Fund Balance	108,159
<b>Fund Balance - Beginning of the Year, Originally Stated</b>	5,790,753
<b>Prior Period Adjustment</b>	<u>(70,539)</u>
<b>Fund Balance - Beginning of the Year, Restated</b>	<u>5,720,214</u>
<b>Fund Balance - End of the Year</b>	<u>\$ 5,828,373</u>

The accompanying notes are an integral part of this statement.

**Tangipahoa Parish Rural Fire Protection District No. 2**  
**(A Component Unit of the Tangipahoa Parish Government)**  
**Amite, Louisiana**

Exhibit F

Reconciliation of the Governmental Fund Statement of Revenues, Expenditures, and  
Change in Fund Balance to the Government-Wide Statement of Activities  
For the Year Ended December 31, 2019

<b>Net Change in Fund Balance, Governmental Fund (Exhibit E)</b>	\$	108,159
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Amounts reported for governmental activities in the statement of activities are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. These differences consist of:

Capital Outlay		637,819
Depreciation Expense		(913,052)

In the statement of activities, only the loss on the sale of equipment is reported, whereas in the governmental funds, the proceeds from the sale increases financial resources. Thus, the change in net assets differs from the change in fund balance by the cost of the equipment disposed of.

		(1,379)
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The issuance of long-term debt (e.g. bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.

New Debt - Capital Leases		(102,213)
Repayments of Long-Term Debt		<u>32,843</u>

<b>Change in Net Position of Governmental Activities (Exhibit B)</b>	\$	<u>(237,823)</u>
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The accompanying notes are an integral part of this statement.

**Tangipahoa Parish Rural Fire Protection District No. 2**  
**(A Component Unit of the Tangipahoa Parish Government)**  
**Amite, Louisiana**

Exhibit G

Combining Statement of Net Position – Discretely Presented Component Units  
December 31, 2019

	Hammond Rural Fire Dept., Inc.	Husser Vol. Fire Dept., Inc.	Independence Vol. Fire Dept., Inc.	Loranger Vol. Fire Dept., Inc.	Manchac Vol. Fire Dept., Inc.	Ponchatoula Vol. Fire Dept., Inc.	Wilmer Vol. Fire Dept., Inc.	Eighth Ward Vol. Fire Dept., Inc.	Total
<b>Assets</b>									
Cash and Cash Equivalents	\$ 1,567,553	\$ 97,562	\$ 192,533	\$ 11,765	\$ 1,020,509	\$ 1,094,514	\$ 343,524	\$ 248,770	\$ 4,576,730
Investments	190,509	119,359	8	19	101	128	16	13	310,153
Due from Other Governments	256,376	85,459	116,861	93,676	19,728	230,081	93,676	101,893	997,750
Due from Independence VFD	-	-	-	-	86,439	-	-	-	86,439
Due from Loranger VFD	-	-	-	-	-	202,023	-	-	202,023
Prepaid Assets	4,531	8,321	6,088	6,914	10,917	17,462	7,288	15,601	77,122
Capital Assets, Net	-	-	32,626	-	-	86,014	3,847	759,029	881,516
<b>Total Assets</b>	<u>\$ 2,018,969</u>	<u>\$ 310,701</u>	<u>\$ 348,116</u>	<u>\$ 112,374</u>	<u>\$ 1,137,694</u>	<u>\$ 1,630,222</u>	<u>\$ 448,351</u>	<u>\$ 1,125,306</u>	<u>\$ 7,131,733</u>
<b>Liabilities</b>									
Accounts Payable	\$ 87,539	\$ 9,776	\$ 5,868	\$ 12,598	\$ 948	\$ 7,661	\$ 28,293	\$ 8,461	\$ 161,144
Payroll & Related									
Liabilities Payable	17,266	6,415	16,357	4,988	-	18,656	6,856	10,703	81,241
Current Obligations	-	-	9,706	26,316	-	-	-	-	36,022
Non-Current Obligations	-	-	76,733	175,707	-	-	-	-	252,440
<b>Total Liabilities</b>	<u>\$ 104,805</u>	<u>\$ 16,191</u>	<u>\$ 108,664</u>	<u>\$ 219,609</u>	<u>\$ 948</u>	<u>\$ 26,317</u>	<u>\$ 35,149</u>	<u>\$ 19,164</u>	<u>\$ 530,847</u>
<b>Net Position</b>									
Net Investment in Capital Assets	\$ -	\$ -	\$ 32,626	\$ -	\$ -	\$ 86,014	\$ 3,847	\$ 759,029	\$ 881,516
Restricted for:									
Other Purposes	1,914,164	294,510	206,826	(107,235)	1,136,746	1,517,891	409,355	347,113	5,719,370
<b>Total Net Position</b>	<u>\$ 1,914,164</u>	<u>\$ 294,510</u>	<u>\$ 239,452</u>	<u>\$ (107,235)</u>	<u>\$ 1,136,746</u>	<u>\$ 1,603,905</u>	<u>\$ 413,202</u>	<u>\$ 1,106,142</u>	<u>\$ 6,600,886</u>

The accompanying notes are an integral part of this statement.

**Tangipahoa Parish Rural Fire Protection District No. 2**  
**(A Component Unit of the Tangipahoa Parish Government)**  
**Amite, Louisiana**

Exhibit H

Combining Statement of Activities – Discretely Presented Component Units  
For the Year Ended December 31, 2019

	Hammond Rural Fire Dept., Inc.	Husser Vol. Fire Dept., Inc.	Independence Vol. Fire Dept., Inc.	Loranger Vol. Fire Dept., Inc.	Manchac Vol. Fire Dept., Inc.	Ponchatoula Vol. Fire Dept., Inc.	Wilmer Vol. Fire Dept., Inc.	Eighth Ward Vol. Fire Dept., Inc.	Total
<b>Expenses:</b>									
Salaries & Related Benefits	\$ 1,216,059	\$ 505,568	\$ 900,295	\$ 536,739	\$ 54,485	\$ 911,506	\$ 449,457	\$ 472,867	\$ 5,046,976
Depreciation	-	-	20,102	-	-	26,113	6,493	47,127	99,835
Fire Service Contract	325,000	-	2,000	32,328	-	-	32,328	-	391,656
Fuel	12,469	9,885	17,220	9,512	2,961	22,147	11,320	15,920	101,434
Insurance	26,663	43,002	31,429	28,514	18,566	85,021	27,284	44,336	304,815
Legal & Professional	7,515	3,573	7,750	4,400	1,656	4,851	5,398	19,649	54,792
Office Supplies & Postage	6,454	2,004	3,309	3,823	62	7,746	3,959	4,410	31,767
Station Supplies	21,661	20,671	22,933	19,718	1,322	56,861	14,998	20,365	178,529
Repairs & Maintenance	61,356	22,304	61,830	56,720	17,068	65,635	67,034	56,156	408,103
Telephone & Utilities	18,029	22,482	11,762	13,153	8,413	39,431	15,153	25,407	153,830
Training	11,136	17,398	3,303	6,398	-	8,175	2,459	9,883	58,752
Uniforms	3,830	601	4,071	4,846	-	7,052	1,263	1,500	23,163
Miscellaneous	10,317	10,840	8,078	7,815	1,107	27,372	4,040	20,268	89,837
2% Fire Rebate Payments	64,606	21,535	-	-	-	57,980	23,606	-	167,727
Debt Service Payments	5,386	-	16,460	6,931	-	12,953	-	-	41,730
Equipment	8,831	3,788	8,553	17,719	9,984	64,884	4,400	41,857	160,016
<b>Total Expenses</b>	<b>1,799,312</b>	<b>683,651</b>	<b>1,119,095</b>	<b>748,616</b>	<b>115,624</b>	<b>1,397,727</b>	<b>669,192</b>	<b>779,745</b>	<b>7,312,962</b>
<b>Program Revenues:</b>									
Charges for Services	-	-	258,500	-	-	-	-	-	258,500
Operating Grants	-	-	-	-	-	-	-	89,192	89,192
<b>Net Program (Expenses) Revenues</b>	<b>(1,799,312)</b>	<b>(683,651)</b>	<b>(860,595)</b>	<b>(748,616)</b>	<b>(115,624)</b>	<b>(1,397,727)</b>	<b>(669,192)</b>	<b>(690,553)</b>	<b>(6,965,270)</b>
<b>General Revenues:</b>									
Ad Valorem Taxes	1,008,640	336,213	375,007	368,542	77,588	905,190	368,542	400,870	3,840,592
State Revenue Sharing	121,796	62,134	45,283	44,502	9,369	109,304	44,502	48,406	485,296
2% Fire Insurance Rebate	129,212	21,535	24,020	23,606	4,970	115,959	69,781	25,677	414,760
Interest Income	30,007	2,054	4,272	1,789	27,872	26,718	6,320	4,628	103,660
State Supplemental Pay	42,000	-	30,533	36,000	5,500	12,500	12,000	-	138,533
Miscellaneous Revenue	596,448	255,826	439,636	260,362	24,473	483,641	217,722	241,931	2,520,039
<b>Total General Revenues</b>	<b>1,928,103</b>	<b>677,762</b>	<b>918,751</b>	<b>734,801</b>	<b>149,772</b>	<b>1,653,312</b>	<b>718,867</b>	<b>721,512</b>	<b>7,502,880</b>
<b>Change in Net Position</b>	<b>128,791</b>	<b>(5,889)</b>	<b>58,156</b>	<b>(13,815)</b>	<b>34,148</b>	<b>255,585</b>	<b>49,675</b>	<b>30,959</b>	<b>537,610</b>
<b>Net Position:</b>									
Beginning of the Year, Original	1,785,373	300,399	111,757	(93,420)	1,102,598	1,348,320	363,527	1,075,183	5,993,737
Prior Period Adjustment	-	-	69,539	-	-	-	-	-	69,539
Beginning of the Year, Restated	1,785,373	300,399	181,296	(93,420)	1,102,598	1,348,320	363,527	1,075,183	6,063,276
End of the Year	\$ 1,914,164	\$ 294,510	\$ 239,452	\$ (107,235)	\$ 1,136,746	\$ 1,603,905	\$ 413,202	\$ 1,106,142	\$ 6,600,886

The accompanying notes are an integral part of this statement.

**Tangipahoa Parish Rural Fire Protection District No. 2**  
**(A Component Unit of the Tangipahoa Parish Government)**

**Amite, Louisiana**

Notes to Financial Statements  
For the Year Ended December 31, 2019

**Narrative Profile**

The Tangipahoa Parish Rural Fire Protection District No. 2 (the “District”) is a body corporate created by the Tangipahoa Parish Government as provided by Louisiana Revised Statutes (LRS). The District is governed by a board of ten commissioners, all of which are councilmen of the Tangipahoa Parish Government (the “Council”). The District was created for the purpose of providing fire protection and prevention to unincorporated areas of the Parish of Tangipahoa, Louisiana.

The accounting and reporting policies of the District conform to generally accepted accounting principles as applicable to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Such accounting and reporting procedures also conform to the requirements of LRS 24:513 and to the guidance set forth in the *Louisiana Governmental Audit Guide*, and to the industry audit guide, *Audits of State and Local Governmental Units*.

**1. Summary of Significant Accounting Policies**

A. Financial Reporting Entity

As the governing authority of the Parish, for reporting purposes, the Council is the financial reporting entity for Tangipahoa Parish. The financial reporting entity consists of (a) the primary government (the Council), (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, as amended by GASB Statement No. 61, established criteria for determining which component units should be considered part of the Council 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 Council to impose its will on that organization and / or
  - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the Council.
2. Organizations for which the Council does not appoint a voting majority but are fiscally dependent on the Council.
3. Organizations for which the reporting entity's financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Based on the previous criteria, the District has been determined to be a component unit of the Council.

**Tangipahoa Parish Rural Fire Protection District No. 2**  
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Notes to Financial Statements (Continued)  
For the Year Ended December 31, 2019

**B. Discretely Presented Component Units**

The agencies described below are included in the District because of the nature and significance of their relations with the District. To emphasize that they are legally separate from the District, they are discretely presented in the District's financial statements.

The following legally separate tax-exempt entities offer maintenance and operations of fire protection systems for constituents of the District. The Volunteer Fire Departments exist exclusively to provide a service to the District. Most of the Volunteer Fire Departments' revenue comes from appropriations from the District.

- Hammond Rural Fire Department, Inc.
- Husser Volunteer Fire Department, Inc.
- Independence Volunteer Fire Department, Inc.
- Loranger Volunteer Fire Department, Inc.
- Manchac Volunteer Fire Department, Inc.
- Ponchatoula Volunteer Fire Department, Inc.
- Wilmer Volunteer Fire Department, Inc.
- Eighth Ward Volunteer Fire Department, Inc.

Two additional Fire Departments, Natalbany Volunteer Fire Department, Inc. and Kentwood Volunteer Fire Department, Inc. are also considered to be component units; however, they are not included in the financial statements of the District as these entities have their own independent audits separate from the District and its other discretely presented component units. Their financial statements may be obtained by contacting the Natalbany Volunteer Fire Department, Inc. at (985) 345-5354 and the Kentwood Volunteer Fire Department, Inc. at (985) 229-3451.

**C. Fund Accounting**

The District uses fund accounting to maintain its financial records and the results of its operations. 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.

*Governmental Funds*

Governmental funds account for all of the District's general activities. These funds focus on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may be used. Current liabilities are assigned to the fund from which they will be paid. The difference between a governmental fund's assets and liabilities is reported as fund balance. In general, fund balance represents the accumulated expendable resources that may be used to finance future period programs or operations of the District. The following is the District's governmental fund:

General Fund - the primary operating fund of the District, which accounts for all the operations of the District, except those required to be accounted for in other funds.

**Tangipahoa Parish Rural Fire Protection District No. 2**  
**(A Component Unit of the Tangipahoa Parish Government)**

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Notes to Financial Statements (Continued)  
For the Year Ended December 31, 2019

D. Measurement Focus / Basis of Accounting

*Basic Financial Statements – Government-Wide Financial Statements*

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 with most of the interfund activities removed. Information contained in these columns reflects the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (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 statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Interest earnings and other revenues not properly included among program revenues are reported instead as general revenues.

The District does not allocate indirect expenses.

*Basic Financial Statements – Governmental Funds*

The amounts reflected in the General Fund 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 changes in fund balances 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 the District's operations.

The amounts reflected in the General Fund use the modified accrual basis of accounting. Under this 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 District considers all revenues available if they are collected within 60 days after the fiscal year end. Expenditures are recorded when the related liability is incurred, except for interest and principal payments on long-term debt, which are recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. The governmental funds use the following practices in recording revenues and expenditures:

Revenues – Revenues are generally recognized when they become measurable and available as net current assets. Taxes, state revenue sharing, grants, interest revenue, and other revenues are recorded when due.

**Tangipahoa Parish Rural Fire Protection District No. 2**  
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Notes to Financial Statements (Continued)  
For the Year Ended December 31, 2019

Expenditures – Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

Reconciliation – Explanation of differences between the governmental funds balance sheet and the government-wide statement of net position is presented in Exhibit D of the basic financial statements. Explanation of differences between the governmental funds statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities is presented in Statement F of the basic financial statements.

*Discretely Presented Component Units*

The accompanying component unit financial statements for the Volunteer Fire Departments present only the financial activities of the Volunteer Fire Departments arising from appropriations received from the District, and certain other revenues. The financial statements are not intended to and do not present the financial position and results of operations in conformity with generally accepted accounting principles.

E. Budgets and Budgetary Accounting

The District adopted an operating budget for its General Fund for the fiscal year ended December 31, 2019. The budget for this fund is adopted on the modified accrual basis of accounting consistent with generally accepted accounting principles (GAAP). The District follows these procedures in establishing the budgetary data reflected in these financial statements:

1. The Fire Administrator prepares a proposed budget and submits the budget to the Board of Commissioners. The 2019 budget was introduced on October 22, 2018.
2. 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.
3. A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing. The public hearing for the 2019 budget was held on December 10, 2018.
4. Once a public hearing is held and all of the action necessary to finalize and implement the budget is completed, the budget is adopted through the passage of a resolution prior to the commencement of the fiscal year for which the budget is adopted. The 2019 budget was adopted on December 10, 2018.
5. Copies of the adopted budgets are kept on file for public inspection.
6. Budgetary amendments due to increases or decreases in revenues or expenditures over amounts estimated require a majority vote of the Board of Commissioners. The budget was amended on November 25, 2019.
7. All budgetary appropriations lapse at the end of each year. Formal budgetary integration is not employed.

**Tangipahoa Parish Rural Fire Protection District No. 2**  
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Notes to Financial Statements (Continued)

For the Year Ended December 31, 2019

The adopted budget constitutes the authority of the Fire Administrator to incur liabilities and authorize expenditures from the respective budgeted funds. Additionally, certain expenditures are approved monthly by the Board of Commissioners before payment.

F. Deposits and Investments

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, interest bearing demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. 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. In addition, the District may invest in United States bonds, treasury notes, or certificates. These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents.

Investments for the District are reported at cost. The state investment pool (LAMP) operates in accordance with state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares. The LAMP annual report can be found at the official LAMP website. See Note 3 for additional information.

G. Receivables and Payables

All receivables are shown net of an allowance for uncollectible tax.

*Property Taxes*

Ad valorem taxes are levied in October and billed to the taxpayers in November. Billed taxes become delinquent as of January 1<sup>st</sup> of the following year at which time an enforceable lien is attached. The taxes are generally collected in December of the current year and January and February of the ensuing year. Ad valorem taxes and related state revenue sharing are recorded in the year the taxes are billed. The Tangipahoa Parish Sheriff / Tax Collector, on behalf of the District, bills, collects, and remits the property taxes based on assessed values determined by the Tangipahoa Parish Assessor.

For the year 2019, two separate 10.00 mill taxes (total of 20.00 mills) were levied on property within the District's boundaries. One of the 10.00 mill tax levy expires in 2023 and the other expires in 2025. Total taxes levied were \$5,805,588. At December 31, 2019, the ad valorem tax receivable was \$5,454,049. Ad valorem taxes receivable at December 31, 2019, are recorded net of a 2.0% allowance for uncollectible taxes of \$116,112.

*State Revenue Sharing*

For the year 2019, the District received \$475,800 in Louisiana State Revenue Sharing. At December 31, 2019, state revenue sharing receivable totaled \$317,200. The District considers this receivable fully collectible and, therefore, has not recorded an allowance for uncollectible state revenue sharing revenues.

**Tangipahoa Parish Rural Fire Protection District No. 2**  
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Notes to Financial Statements (Continued)  
For the Year Ended December 31, 2019

H. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in the government-wide statements. Current year amounts relate to prepaid insurance costs.

I. Capital Assets

Capital outlays are recorded as expenditures of the governmental funds and as assets in the government-wide financial statements. Capital assets are valued at historical cost or estimated historical cost if actual cost was not available. Donated capital assets are recorded at their acquisition value (entry price) at the date of donation as required by GASB Statement No. 72, *Fair Value Measurement and Application*. At December 31, 2019, the District maintains a threshold level of \$1,000 or more for capitalizing capital assets.

Maintenance, repairs, and minor equipment are charged to operations when incurred. Expenditures that materially change capacities or extend useful lives are capitalized. Upon sale or retirement of land, buildings, and equipment, the cost and related accumulated depreciation, if applicable, are eliminated from the respective accounts and any resulting gain or loss is included in the results of operations.

J. Compensated Absences

District employees are entitled to certain compensated absences based on their length of employment and overtime worked. Vested compensated absences are recorded as expenditures when the liability is incurred. Effective July 1, 2009, any vacation leave exceeding 240 hours will be paid to the employee at the time of their anniversary date at a rate of 50% of their current pay rate. No employee will accrue vacation in excess of 240 hours. Sick leave has not been accrued as the employee's right to sick leave does not vest.

K. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances, if any, are reported as other financing sources, while discounts on debt issuances, if any, are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**Tangipahoa Parish Rural Fire Protection District No. 2**  
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Notes to Financial Statements (Continued)  
For the Year Ended December 31, 2019

L. Net Position

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

1. Net Investment in Capital Assets – consists of the historical cost of capital assets, including any 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.
2. Restricted – consists of assets that have constraints that are externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or constraints imposed by law through constitutional provisions or enabling legislation.
3. Unrestricted – all other net position is reported in this category.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

M. Fund Balance

In the governmental fund financial statements, fund balance is classified as follows:

1. Nonspendable Fund Balance – amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact.
2. Restricted Fund Balance – amounts that can be spent only for the specific purposes due to enabling legislation, State or Federal laws, or externally imposed by grantors, creditors, or citizens.
3. Committed Fund Balance – amounts that can be used only for the specific purposes determined by a formal action of the Board of Commissioners (the District's highest level of authority). These amounts cannot be used for any other purpose unless the Board of Commissioners removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.
4. Assigned Fund Balance – amounts that are intended to be used by the District for specific purposes but do not meet the criteria to be classified as restricted or committed. These amounts are determined by a formal action of the Board of Commissioners (the District's highest level of authority).
5. Unassigned Fund Balance – all amounts not included in other spendable categories.

When fund balance resources are available for a specific purpose in multiple classifications, the District will generally use the most restrictive funds first in the following order: restricted, committed, assigned, and unassigned as they are needed. However, the District's management reserves the right to selectively spend unassigned resources first and to defer the use of the other classified funds.

As of December 31, 2019, the District did not have any nonspendable, restricted, committed, or assigned fund balances.

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Notes to Financial Statements (Continued)  
For the Year Ended December 31, 2019

N. Estimates

The preparation of financial statements, in conformity with U.S. GAAP requires management to make estimates and assumptions that effect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**2. Stewardship, Compliance and Accountability**

A. Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the general fund. All annual appropriations lapse at year-end. See Note 1-E regarding operating budgets. The District complied with the Louisiana Local Government Budget Act in adopting its budget for the year ended December 31, 2019.

B. Deposits and Investment Laws and Regulations

In accordance with state law, all uninsured deposits of funds in financial institutions must be secured with acceptable collateral valued at the lower of market or par. As reflected in Note 4 regarding custodial credit risk – deposits, the District complied with the deposits and investments laws and regulations.

C. Deficit Fund Equity

As of December 31, 2019, the District's general fund did not have a deficit fund equity.

**3. Cash, Cash Equivalents, and Investments**

A. Primary Government

As reflected on Exhibit A, the District has cash and cash equivalents totaling \$1,599,854 and investments totaling \$1,052 at December 31, 2019. These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These pledged 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.

**Tangipahoa Parish Rural Fire Protection District No. 2**  
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Notes to Financial Statements (Continued)  
For the Year Ended December 31, 2019

The following is a summary of cash and investments at December 31, 2019, with the related federal deposit insurance and pledge securities:

Bank Balances:	
Insured (FDIC Insurance)	\$ 250,000
Uninsured and Collateralized:	
Collateral held by pledging bank's trust department not in the District's name	1,358,646
Uninsured and Uncollateralized	<u>-</u>
Total Deposits	<u>\$ 1,608,646</u>

Even though the pledged securities are not held in the entity's name, LRS 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within ten days of being notified by the District that the fiscal agent has failed to pay deposited funds upon demand. Per GASB Statement 3, as amended by GASB 40, the District's deposits are exposed to custodial credit risk since the collateral pledged by the fiscal agent is not held in the District's name. Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a deposit policy for custodial risk. As of December 31, 2019, the District was in compliance with state law which requires any uninsured cash balances with the fiscal agent bank to be adequately collateralized by a pledge of securities.

At December 31, 2019, the District's investment balances are as follows:

	Reported Amount	Fair Value
Louisiana Asset Management Pool:		
Tax Fund	\$ 526	\$ 526
Administration Fund	<u>526</u>	<u>526</u>
Total	<u>\$ 1,052</u>	<u>\$ 1,052</u>

Louisiana Asset Management Pool (LAMP) is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LRS 33:2955.

GASB Statement No. 40, *Deposit and Investment Risk Disclosure*, requires disclosure of credit risk, custodial credit risk, concentration of credit risk, interest rate risk, and foreign currency risk for all public entity investments.

**Tangipahoa Parish Rural Fire Protection District No. 2**  
**(A Component Unit of the Tangipahoa Parish Government)**

**Amite, Louisiana**

Notes to Financial Statements (Continued)  
For the Year Ended December 31, 2019

LAMP is an investment pool that, to the extent practical, invests in a manner consistent with GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*. The following facts are relevant for investment pools:

- Credit Risk: LAMP is rated AAAM by Standard & Poor's.
- Custodial Credit Risk: LAMP participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.
- Concentration of Credit Risk: Pooled investments are excluded from the 5% disclosure requirement.
- Interest Rate Risk: LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP prepares its own interest rate risk disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days or 762 days for U.S. Government floating / variable rate investments. The WAM for LAMP's total investments was 92 days as of December 31, 2019.
- Foreign Currency Risk: Not applicable.

The investments in LAMP are stated at fair value. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the net asset value of the pool shares.

LAMP, Inc. is subject to the regulatory oversight of the State Treasurer and the Board of Directors. LAMP is not registered with the SEC as an investment company.

If you have any questions, please feel free to contact the LAMP administrative office at 800-249-5267.

**B. Discretely Presented Component Units**

As reflected on Exhibit G, the discretely presented component units had cash and cash equivalents totaling \$4,576,730 and investments totaling \$310,153 at December 31, 2019.

At December 31, 2019, the discretely presented component units' investment balances are as follows:

	Reported Amount	Fair Value
Louisiana Asset Management Pool:		
Fire Department Fund	\$ 426	\$ 426
Certificates of Deposit:		
Hammond Rural Fire Department, Inc.	190,385	190,385
Husser Volunteer Fire Department, Inc.	119,342	119,342
Total	\$ 310,153	\$ 310,153

**Tangipahoa Parish Rural Fire Protection District No. 2**  
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**Amite, Louisiana**

Notes to Financial Statements (Continued)  
For the Year Ended December 31, 2019

At December 31, 2019, the discretely presented component units had \$4,582,893 in total deposits (collected bank balances). \$1,262,188 of deposits are in their separate accounts, with all \$1,262,188 being secured by FDIC insurance. The remaining \$3,320,705 is uninsured but collateralized with securities held by the District's custodial bank in the fiscal agent bank.

**4. Custodial Credit Risk – Deposits**

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a deposit policy for custodial credit risk.

The District maintains three separate bank accounts as follows:

Tax Account – accounts for the proceeds of property tax collections prior to their disbursement to the discretely presented component units (Volunteer Fire Departments). This account is included with “Cash and Cash Equivalents” on the Governmental Fund Balance Sheet (Exhibit C).

Administrative Account – accounts for funds used by the District's Fire Administrator. This account is included with “Cash and Cash Equivalents” on the Governmental Fund Balance Sheet (Exhibit C).

Volunteer Pool Account – accounts for funds transferred from the Tax Account to be used by the discretely presented component units (Volunteer Fire Departments). The funds are pooled in a single bank account and are collectively used by all 10 Volunteer Fire Departments. This account is included with “Cash and Cash Equivalents” on the Combining Statement of Net Position – Discretely Presented Component Units (Exhibit G).

As of December 31, 2019, the District's total bank balances for all three accounts was \$6,494,314. Of this amount, \$6,244,314 was exposed to custodial credit risk. This \$6,244,314 is uninsured, but collateralized with securities held by the pledging institutions trust department or agent, but not in the District's name.

**5. Receivables**

**A. Primary Government**

Receivables represent revenues earned in 2019 and received in 2020 as follows:

Property Tax Receivable	\$ 5,454,049
State Revenue Sharing Receivable	317,200
Other Receivable	<u>37,365</u>
Receivables at December 31, 2019, Net	<u>\$ 5,808,614</u>

Uncollectible amounts are recognized as bad debts through the establishment of an allowance account at the time information becomes available that would indicate the uncollectibility of the particular receivable.

**Tangipahoa Parish Rural Fire Protection District No. 2**  
**(A Component Unit of the Tangipahoa Parish Government)**

**Amite, Louisiana**

Notes to Financial Statements (Continued)  
For the Year Ended December 31, 2019

**B. Discretely Presented Component Units**

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

Due from Rural Fire Protection District No. 2	\$	997,750
Other Receivables		<u>288,462</u>
Receivables at December 31, 2019, Net	\$	<u>1,286,212</u>

**6. Capital Assets**

**A. Primary Government**

Capital assets and depreciation activity as of and for the year ended December 31, 2019, are as follows:

	Balance <u>12/31/18</u>	Additions	Deletions	Balance <u>12/31/19</u>
Capital Assets Not Depreciated:				
Land	\$ 499,250	\$ -	\$ -	\$ 499,250
Total Capital Assets Not Depreciated	499,250	-	-	499,250
Other Capital Assets:				
Buildings	5,131,408	13,756	-	5,145,164
Equipment / Vehicle	<u>13,767,799</u>	<u>624,063</u>	<u>212,665</u>	<u>14,179,197</u>
Total Other Capital Assets	18,899,207	637,819	212,665	19,324,361
Less Accumulated Depreciation:				
Buildings	(1,250,519)	(133,785)	-	(1,384,304)
Equipment / Vehicle	<u>(9,457,141)</u>	<u>(779,267)</u>	<u>(211,286)</u>	<u>(10,025,122)</u>
Total Accumulated Depreciation	<u>(10,707,660)</u>	<u>(913,052)</u>	<u>(211,286)</u>	<u>(11,409,426)</u>
Total Other Capital Assets, Net	<u>8,191,547</u>	<u>(275,233)</u>	<u>1,379</u>	<u>7,914,935</u>
Total	<u>\$ 8,690,797</u>	<u>\$ (275,233)</u>	<u>\$ 1,379</u>	<u>\$ 8,414,185</u>

All capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Land	N/A
Buildings and Building Improvements	20 - 40 Years
Furniture & Fixtures	5 - 10 Years
Vehicles	5 - 15 Years
Equipment	5 - 10 Years

**Tangipahoa Parish Rural Fire Protection District No. 2**  
**(A Component Unit of the Tangipahoa Parish Government)**

**Amite, Louisiana**

Notes to Financial Statements (Continued)  
For the Year Ended December 31, 2019

**B. Discretely Presented Component Units**

Capital assets and depreciation activity for discretely presented component units as of and for the year ended December 31, 2019, are as follows:

	<u>Balance</u> <u>12/31/18</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12/31/19</u>
<b>Ponchatoula Volunteer Fire Department:</b>				
Equipment	\$ 192,461	-	\$ -	\$ 192,461
Less: Accumulated Depreciation	<u>(80,334)</u>	<u>(26,113)</u>	<u>-</u>	<u>(106,447)</u>
Total	<u>\$ 112,127</u>	<u>\$ (26,113)</u>	<u>\$ -</u>	<u>\$ 86,014</u>
<b>Independence Volunteer Fire Department:</b>				
Equipment	\$ 201,087	\$ -	\$ -	\$ 201,087
Vehicles	16,798	-	-	16,798
Less: Accumulated Depreciation	<u>(165,157)</u>	<u>(20,102)</u>	<u>-</u>	<u>(185,259)</u>
Total	<u>\$ 52,728</u>	<u>\$ (20,102)</u>	<u>\$ -</u>	<u>\$ 32,626</u>
<b>Wilmer Volunteer Fire Department:</b>				
Vehicles	\$ 157,758	\$ -	\$ -	\$ 157,758
Equipment	4,294	-	-	4,294
Less: Accumulated Depreciation	<u>(151,712)</u>	<u>(6,493)</u>	<u>-</u>	<u>(158,205)</u>
Total	<u>\$ 10,340</u>	<u>\$ (6,493)</u>	<u>\$ -</u>	<u>\$ 3,847</u>
<b>Eighth Ward Volunteer Fire Department:</b>				
Land	\$ 51,880	\$ -	\$ -	\$ 51,880
Buildings	672,231	-	-	672,231
Equipment	<u>386,446</u>	<u>97,379</u>	<u>-</u>	<u>483,825</u>
Total	1,110,557	97,379	-	1,207,936
Less: Accumulated Depreciation	<u>(401,780)</u>	<u>(47,127)</u>	<u>-</u>	<u>(448,907)</u>
Total	<u>\$ 708,777</u>	<u>\$ 50,252</u>	<u>\$ -</u>	<u>\$ 759,029</u>
Total Component Units Capital Assets	\$ 1,682,955	\$ 97,379	\$ -	\$ 1,780,334
Less: Total Accumulated Depreciation	<u>(798,983)</u>	<u>(99,835)</u>	<u>-</u>	<u>(898,818)</u>
Total Component Units Capital Assets, Net	<u>\$ 883,972</u>	<u>\$ (2,456)</u>	<u>\$ -</u>	<u>\$ 881,516</u>

**Tangipahoa Parish Rural Fire Protection District No. 2**  
**(A Component Unit of the Tangipahoa Parish Government)**

**Amite, Louisiana**

Notes to Financial Statements (Continued)  
For the Year Ended December 31, 2019

**7. Long-Term Debt**

**A. Primary Government**

The following is a summary of debt transactions of the District for the year ended December 31, 2019:

<u>Type of Debt</u>	<u>Balance 01/01/19</u>	<u>Debt Issued</u>	<u>Debt Retired</u>	<u>Balance 12/31/19</u>	<u>Due Within One Year</u>
Capital Leases:					
Ford F-150					
XL 4x4 (3)	\$ 69,807	\$ -	\$ 16,723	\$ 53,084	\$ 17,457
2019 Ford					
F-150 XLT	-	38,538	5,863	32,675	7,103
2019 Ford F-150 XL	-	30,031	4,420	25,611	5,450
2019 Ford F-350 XL	-	33,644	5,837	27,807	6,220
Total	<u>\$ 69,807</u>	<u>\$ 102,213</u>	<u>\$ 32,843</u>	<u>\$ 139,177</u>	<u>\$ 36,230</u>

On October 19, 2017, the District entered into a capital lease agreement at a fixed interest rate of 4.300% with Enterprise FM Trust for the purchase of three Ford F-150 trucks, totaling \$89,514, with accumulated depreciation of \$38,789, for use by the Independence Volunteer Fire Department, Inc. and the Ponchatoula Volunteer Fire Department, Inc. The lease obligation is effective during the period October 19, 2017, through November 19, 2022. Monthly payments of \$1,616.49 began on January 19, 2018. Total payments during 2019 totaled \$16,723 of principal and \$2,675 of interest.

On January 18, 2019, the District entered into a capital lease agreement at a fixed interest rate of 4.370% with Enterprise FM Trust for the purchase of a Ford F-350 XL truck, totaling \$33,644, with accumulated depreciation of \$6,729, for use by the Independence Volunteer Fire Department, Inc. The lease obligation is effective for a period of 60 months through February 2024. Monthly payments of \$609.32 began on February 20, 2019. Total payments during 2019 totaled \$5,837 of principal and \$1,241 of interest.

On February 19, 2019, the District entered into a capital lease agreement at a fixed interest rate of 4.780% with Enterprise FM Trust for the purchase of a Ford F-150 XLT truck, totaling \$38,538, with accumulated depreciation of \$7,065. The lease obligation is effective for a period of 60 months through March 2024. Monthly payments of \$709.23 began on April 22, 2019. Total payments during 2019 totaled \$5,863 of principal and \$1,432 of interest.

On March 11, 2019, the District entered into a capital lease agreement at a fixed interest rate of 4.770% with Enterprise FM Trust for the purchase of a Ford F-150 XL truck, totaling \$30,031, with accumulated depreciation of \$5,005, for use by the Hammond Volunteer Fire Department, Inc. The lease obligation is effective for a period of 60 months through April 2024. Monthly payments of \$546.16 began on April 22, 2019. Total payments during 2019 totaled \$4,420 of principal and \$966 of interest.

**Tangipahoa Parish Rural Fire Protection District No. 2**  
**(A Component Unit of the Tangipahoa Parish Government)**

**Amite, Louisiana**

Notes to Financial Statements (Continued)

For the Year Ended December 31, 2019

The annual requirements to amortize all debt outstanding for the primary government at December 31, 2019, including interest payments of \$12,437 are as follows:

Year Ended December 31,	Capital Leases				Total
	Ford F-150 XL 4x4 (3)	2019 Ford F-150 XLT	2019 Ford F-150 XL	2019 Ford F-350 XL	
2020	\$ 19,398	\$ 8,511	\$ 6,554	\$ 7,312	\$ 41,775
2021	19,398	8,511	6,554	7,312	41,775
2022	17,781	8,511	6,554	7,312	40,158
2023	-	8,511	6,554	7,312	22,377
2024	-	2,127	2,184	1,218	5,529
	56,577	36,171	28,400	30,466	151,614
Less: Interest Portion	3,493	3,496	2,789	2,659	12,437
	\$ 53,084	\$ 32,675	\$ 25,611	\$ 27,807	\$ 139,177

**B. Discretely Presented Component Units**

The following is a summary of debt transactions of the discretely presented component units for the year ended December 31, 2019:

Type of Debt	Balance 01/01/19	Debt Issued	Debt Retired	Balance 12/31/19	Due Within One Year
Notes Payable:					
Loranger VFD	\$ 227,577	\$ -	\$ 25,554	\$ 202,023	\$ 26,316
Independence VFD	95,858	-	9,419	86,439	9,706
Total	\$ 323,435	\$ -	\$ 34,973	\$ 288,462	\$ 36,022

On March 15, 2018, the Ponchatoula Volunteer Fire Department, Inc. loaned \$284,862 to the Loranger Volunteer Fire Department, Inc. for the purchase of a fire truck. Payments are to be made annually, beginning on March 15, 2018, for 10 years, in the amount of \$32,485.28 with a fixed interest rate of 3.00%. The note payable is classified as "Due to Ponchatoula VFD" and corresponding note receivable is classified as "Due from Loranger VFD," both on the Combining Statement of Net Position – Discretely Presented Component Units.

On March 1, 2018, the Manchac Volunteer Fire Department, Inc. loaned \$105,000 to the Independence Volunteer Fire Department, Inc. for the purchase of a fire truck. Payments are to be made annually, beginning on March 1, 2018, for 10 years, in the amount of \$12,335.35 with a fixed interest rate of 3.00%. The note payable is classified as "Due to Manchac VFD" and corresponding note receivable is classified as "Due from Independence VFD," both on the Combining Statement of Net Position – Discretely Presented Component Units.

**Tangipahoa Parish Rural Fire Protection District No. 2**  
**(A Component Unit of the Tangipahoa Parish Government)**  
**Amite, Louisiana**

Notes to Financial Statements (Continued)  
For the Year Ended December 31, 2019

The annual requirements to amortize all debt outstanding for the discretely presented component units at December 31, 2019, including interest payments of \$37,613 are as follows:

Year Ended December 31,	Loranger VFD	Indep. VFD	Total
2020	\$ 32,485	\$ 12,335	\$ 44,820
2021	32,485	12,335	44,820
2022	32,485	12,335	44,820
2023	32,485	12,335	44,820
2024	32,485	12,335	44,820
2025 - 2027	64,970	37,005	101,975
	227,395	98,680	326,075
Less: Interest Portion	25,372	12,241	37,613
	<u>\$ 202,023</u>	<u>\$ 86,439</u>	<u>\$ 288,462</u>

**8. On-Behalf Payments**

The District follows GASB Statement No. 24, “*Accounting and Financial Reporting for Certain Grants and Other Financial Assistance.*” This standard requires the District to report in the financial statements on-behalf salary and fringe benefit payments made by the State of Louisiana to the District’s employees. The District is not legally responsible for these salary supplements. Therefore, the basis for recognizing the revenue and expenditure payments is the actual contributions made by the State. For the fiscal year ended December 31, 2019, the State paid \$6,000 in supplemental salary payments to the Fire Administrator of the District.

For the fiscal year ended December 31, 2019, the State paid supplemental salaries to the component units’ employees in the amount of \$138,533.

**9. Contingent Liabilities**

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. These risks of loss are covered by a comprehensive commercial insurance policy and workers compensation insurance. Claims resulting from these risks have historically not exceeded insurance coverage. Therefore, no accrual for any loss contingency has been made in the financial statements.

**Tangipahoa Parish Rural Fire Protection District No. 2**  
**(A Component Unit of the Tangipahoa Parish Government)**  
**Amite, Louisiana**

Notes to Financial Statements (Continued)  
For the Year Ended December 31, 2019

**10. Compensation Paid to the Board of Commissioners**

The following schedule of per diem payments to the Board of Commissioners is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature.

Trent Forrest, Board Member (Parish Council District 1)	\$	-
James Bailey, Board Member (Parish Council District 2)		-
Louis "Nick" Joseph, Board Member (Parish Council District 3)		-
Carlo S. Bruno, Board Member (Parish Council District 4)		-
H.G. "Buddy" Ridgel, Board Member (Parish Council District 5)		-
Emile "Joey" Mayeaux, Board Member (Parish Council District 6)		-
Lionell Wells, Board Member (Parish Council District 7)		-
David Vial, Board Member (Parish Council District 8)		-
Harry Lavine, Board Member (Parish Council District 9)		-
Bobby Cortez, Board Member (Parish Council District 10)		-
Total	\$	-

**11. Tax Abatements**

The Louisiana Industrial Ad Valorem Tax Exemption (ITEP) program (Louisiana Administrative Code, Title 13, Chapter 5) is a state incentive program which offers attractive tax incentive for manufacturers within the state. The program abates, for up to 10 years, local property taxes (ad valorem) on a manufacturer's new investment and annual capitalized additions related to the manufacturing site. This exemption is granted per contract with the Louisiana Department of Economic Development and will specify the buildings and / or personal property items covered by the exemption. The ITEP program is only available for activities related to manufacturing. For the 2019 calendar year, \$5,438 of the District's ad valorem tax revenues were abated as a result of this program.

**12. Prior Period Adjustment**

A. Primary Government

During the current year, an adjustment of (\$70,539) was made to the General Fund to remove intercompany receivables from the Independence Volunteer Fire Department, Inc. that the District's Board felt were not collectible.

Beginning Fund Balance in the General Fund was changed from \$5,790,753 to \$5,720,214 as a result of this prior period adjustment. Beginning Net Position for Governmental Activities was changed from \$14,411,743 to \$14,341,204 as a result of this prior period adjustment.

B. Discretely Presented Component Units

During the current year, an adjustment of \$69,539 was made to the Independence Volunteer Fire Department, Inc. to remove intercompany payables to the District.

**Tangipahoa Parish Rural Fire Protection District No. 2**  
**(A Component Unit of the Tangipahoa Parish Government)**

**Amite, Louisiana**

Notes to Financial Statements (Concluded)

For the Year Ended December 31, 2019

Beginning Net Position for the Independence Volunteer Fire Department, Inc. was changed from \$111,757 to \$181,296 as a result of this prior period adjustment.

**13. Subsequent Events**

Management has evaluated subsequent events through the date that the financial statements were available to be issued, September 24, 2020.

In March 2020, the COVID-19 virus began spreading throughout the United States. On March 22, 2020, Louisiana Governor John Bel Edwards issued a stay-at-home order limiting person-to-person contact and closing many non-essential businesses. Management has evaluated the possible impact of this situation and does not believe that this will have a significant negative impact on the continuing operations of the District.

No other subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

**Required Supplemental Information (Part II):**  
**Budgetary Comparison Schedule**

**Tangipahoa Parish Rural Fire Protection District No. 2**  
**(A Component Unit of the Tangipahoa Parish Government)**  
**Amite, Louisiana**

Schedule 1

Schedule of Revenues, Expenditures, and Changes in Fund Balance –  
 Budget (GAAP Basis) and Actual  
 For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual Amounts - Budgetary Basis	Variance with Final Budget Favorable / (Unfavorable)
<b>Revenues:</b>				
Ad Valorem Taxes	\$ 5,475,060	\$ 5,587,154	\$ 5,845,813	\$ 258,659
Intergovernmental Revenues:				
State Revenue Sharing	457,000	465,996	475,800	9,804
2% Fire Insurance Rebate	326,000	331,313	331,313	-
Interest Income	63,400	74,400	73,135	(1,265)
State Supplemental Pay	6,000	6,000	6,000	-
Municipal Fire Protection Revenue	262,810	282,810	286,404	3,594
Miscellaneous Revenues	-	850	859	9
Total Revenues	<u>6,590,270</u>	<u>6,748,523</u>	<u>7,019,324</u>	<u>270,801</u>
<b>Expenditures:</b>				
Public Safety - Fire Protection:				
Administration:				
Salaries & Related Benefits	121,500	121,500	126,213	(4,713)
Accounting & Audit	85,000	89,885	87,631	2,254
Data Processing	350	1,250	1,675	(425)
Fuel	2,000	2,250	2,223	27
Insurance	6,650	9,600	9,681	(81)
Office Supplies & Postage	2,700	3,250	2,262	988
Legal & Professional	16,200	16,800	1,393	15,407
Memberships & Dues	-	500	314	186
Repairs & Maintenance	1,000	4,400	4,445	(45)
Supplies	10,500	13,100	9,318	3,782
Swiftwater Program	10,000	5,000	647	4,353
Telephone	2,500	3,200	3,871	(671)
Training	2,400	1,060	840	220
Utilities	1,600	-	-	-
Miscellaneous	11,800	14,800	13,513	1,287
Pension Fund Mandate Deduction	215,000	213,524	225,016	(11,492)
Fire Contract Payments	6,090,185	6,248,063	5,797,111	450,952
2% Fire Insurance Rebate Payments	-	-	331,313	(331,313)
Municipal Fire Insurance Protection	-	-	286,404	(286,404)
Debt Service	7,909	7,300	7,295	5
Capital Outlay	2,000	-	102,213	(102,213)
Total Expenditures	<u>6,589,294</u>	<u>6,755,482</u>	<u>7,013,378</u>	<u>(257,896)</u>
Excess of Revenues over Expenditures	976	(6,959)	5,946	12,905
<b>Other Financing Sources (Uses):</b>				
Issuance of Debt - Capital Leases	-	-	102,213	102,213
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>102,213</u>	<u>102,213</u>
Net Change in Fund Balance	976	(6,959)	108,159	115,118
<b>Fund Balance - Beginning of the Year</b>	5,756,111	5,790,753	5,790,753	-
<b>Prior Period Adjustment</b>	-	-	(70,539)	(70,539)
<b>Fund Balance - End of the Year</b>	<u>\$ 5,757,087</u>	<u>\$ 5,783,794</u>	<u>\$ 5,828,373</u>	<u>\$ 44,579</u>

See auditor's report.

**Other Supplemental Information:**

**Schedule of Compensation, Benefits, and Other Payments to  
Agency Head**

**Tangipahoa Parish Rural Fire Protection District No. 2**  
**(A Component Unit of the Tangipahoa Parish Government)**

Schedule 2

**Amite, Louisiana**

Schedule of Compensation, Benefits and Other Payments to Agency Head  
For the Year Ended December 31, 2019

**Agency Head: Dennis Crocker, Fire Administrator**

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 64,994
Salary - Supplemental Pay	6,000
Benefits - Insurance	12,486
Benefits - Retirement	7,474
Benefits - Medicare	1,038
Benefits - Worker's Compensation Insurance	177
Vehicle Provided by Government (Taxed on W-2)	696
Cell Phone	348
Dues	86
Reimbursements	219
Conference Travel	350
	<u>\$ 93,868</u>

See auditor's report.

**Other Independent Auditor's Report and  
Findings, Recommendations, and Responses**



# LAURA GRAY

CERTIFIED PUBLIC ACCOUNTANT

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL  
OVER FINANCIAL REPORTING AND ON COMPLIANCE  
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Members of the Board of Commissioners of the  
Tangipahoa Parish Rural Fire Protection District No.2  
Amite, Louisiana

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the general fund information of the Tangipahoa Parish Rural Fire Protection District No 2 (District), Louisiana, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued my report thereon dated September 24, 2020.

### ***Internal Control Over Financial Reporting***

In planning and performing my audit of the financial statements, I considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, I do not express an opinion on the effectiveness of the District's internal control.

My consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses, or significant deficiencies and therefore, there can be no assurance that all deficiencies, material weaknesses or significant deficiencies have been identified. During my audit, I did not identify any deficiencies in internal control that I consider a material weakness. However, material weaknesses may exist that have not been identified.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. I did not identify any deficiencies in internal control over financial reporting that I consider to be a material weakness as defined above.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. I did not identify any deficiencies in internal control over financial reporting that I consider to be a significant deficiency as defined above.

Tangipahoa Parish Rural Fire Protection District No.2  
Independent Auditor's Report on Internal Control  
and on Compliance and Other Matters- concluded

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of This Report**

This report is intended solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance.

This report is intended solely for the information and use of the governing council, management, others within the entity, the Legislative Auditor, and the federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

  
Certified Public Accountant

September 24, 2020

**Tangipahoa Parish Rural Fire Protection District No. 2**  
**(A Component Unit of the Tangipahoa Parish Government)**

**Amite, Louisiana**

Summary Schedule of Prior Year Audit Findings  
For the Year Ended December 31, 2019

SECTION 1. INTERNAL CONTROL & COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS	
None	
SECTION 2. INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS	
None	
SECTION 3. MANAGEMENT LETTER	
None	



**Tangipahoa Parish Rural Fire Protection District No. 2**  
**(A Component Unit of the Tangipahoa Parish Government)**  
**Amite, Louisiana**  
Schedule of Current Year Audit Findings (Continued)  
For the Year Ended December 31, 2019

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**SECTION II – FINANCIAL STATEMENT FINDINGS**

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NONE