

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, 2025



Hebert Johnson
& Associates, Inc.
Certified Public Accountants

A Professional Accounting Corporation

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

Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinions

We 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, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our 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 aggregate discretely presented component units of the Tangipahoa Parish Rural Fire Protection District No. 2, as of December 31, 2025, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis information and the budgetary comparison information on pages 5 through 9 and pages 42-43 be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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. We 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 our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information

because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying Schedule of Compensation, Benefits, and Other Payments to Agency Head is presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 our opinion, the Schedule of Compensation, Benefits, and Other Payments to Agency Head are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 22, 2026 on our consideration of the District's internal control over financial reporting and on our 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 our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on effectiveness of the District's 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 District's internal control over financial reporting and compliance.

Hebert Johnson & Associates

Hebert Johnson & Associates, Inc.
A Professional Accounting Corporation
Ponchatoula, Louisiana
June 22, 2026

Required Supplementary 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, 2025

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, 2025. 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 Supplementary Information that is provided.

Financial Highlights

- At December 31, 2025, total assets of \$24,204,274 exceeded liabilities of \$932,155 by a total of \$23,272,119 (i.e., net position). Of total net position, the unrestricted portion was \$13,344,003 and the remaining value of \$9,928,116 represented the District's net investment in capital assets.
- The District's total standard revenues excluding one-time operating transfer in from the discretely-presented component units, for the year increased from the prior year by 15.44% to \$10,955,393.
- Expenses for the year increased by \$2,098,949, or 23.77%, from \$8,830,321 in 2024 to \$10,929,270 in 2025.
- During 2025, the District received a one-time, nonrecurring operating transfer totaling \$5,805,548 from the volunteer fire departments, including \$4,362,710 from discretely-presented component units and \$1,442,838 from Kentwood Volunteer Fire Department, Inc., a component unit of the District not included in the District's report, as a result of a new fire contract which combined all public funds of the District under the custody and control of the District. These funds were previously reported on the balance sheets of the individual component units.
- Total governmental net position increased by \$5,831,671 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 Supplementary Information, which is in addition to the financial statements themselves.

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, 2025

Government-Wide Financial Statements

Government-wide financial statements, as required by Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments*, 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.

- The Statement of Net Position presents information on all 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 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 fiscal year. All changes in net position are reported when the underlying event giving rise to the change occurs, regardless of the timing of cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future periods (e.g., uncollected taxes).

The government-wide financial statements include not only the District itself (known as the primary government), but also nine 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.; Natabany 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 component units are reported separately from the primary government.

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.

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, 2025

Condensed Statement of Net Position

	2025	2024	\$ Change	% Change
Assets:				
Current and Other Assets	\$ 14,125,211	\$ 8,035,961	\$ 6,089,250	75.78%
Right-to-Use Assets, Net	143,676	206,664	(62,988)	-30.48%
Land	536,735	536,735	-	0.00%
Capital Assets, Net	9,398,652	9,285,225	113,427	1.22%
Total Assets	<u>\$ 24,204,274</u>	<u>\$ 18,064,585</u>	<u>\$ 6,139,689</u>	33.99%
Liabilities:				
Current Liabilities	\$ 848,339	\$ 473,106	\$ 375,233	79.31%
Long-Term Debt	83,816	151,031	(67,215)	-44.50%
Total Liabilities	<u>\$ 932,155</u>	<u>\$ 624,137</u>	<u>\$ 308,018</u>	49.35%
Net Position:				
Net Investment in Capital Assets	\$ 9,928,116	\$ 9,712,485	\$ 215,631	2.22%
Unrestricted Net Position	13,344,003	7,727,963	5,616,040	72.67%
Total Net Position	<u>\$ 23,272,119</u>	<u>\$ 17,440,448</u>	<u>\$ 5,831,671</u>	33.44%

The District's assets exceeded its liabilities at the close of the most recent fiscal year by \$23,272,119 (net position). The net position of the District's governmental activities increased by \$5,831,671 over the prior year.

The largest portion of the District's net position (42.7%) 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.

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, 2025

Condensed Statement of Activities

	2025	2024	\$ Change	% Change
Revenues:				
Program Revenues	\$ 487,280	\$ 288,589	\$ 198,691	68.85%
General Revenues	10,468,113	9,201,591	1,266,522	13.76%
Transfers In, Component Units	5,805,548	-	5,805,548	
Total Revenues	16,760,941	9,490,180	7,270,761	76.61%
Expenses:				
Governmental Activities	10,929,270	8,830,321	2,098,949	23.77%
Total Expenses	10,929,270	8,830,321	2,098,949	23.77%
Change in Net Position	5,831,671	659,859	5,171,812	783.78%
Net Position:				
Beginning of the Year, Original	17,440,448	16,830,862	609,586	3.62%
Error Correction	-	(50,273)	50,273	-100.00%
Beginning of the Year, Restated	17,440,448	16,780,589	659,859	3.93%
End of Year	\$ 23,272,119	\$ 17,440,448	\$ 5,831,671	33.44%

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 standard revenues excluding one-time operating transfer in from the discretely-presented component units, increased by \$1,465,213, from the prior year primarily related to an increase in ad valorem taxes. Total expenses increased by \$2,098,949 from the prior year primarily related to capital outlay and changes in the arrangements with the ten volunteer fire departments providing fire protection and emergency response services to the District, the activity of nine of which are reported as component units in the report.

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 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. Both the general fund balance sheet and the general fund statement of revenues, expenditures, and changes in fund balance provides a reconciliation to facilitate this comparison between governmental funds and governmental activities. These reconciliations are located on Exhibits D and F.

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, 2025

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 were less than the budgeted revenues by \$245,277. Actual expenditures were less than budgeted expenditures by \$791,343.

Capital Asset and Debt Administration

Capital Assets

The District's net investment in capital assets for its governmental activities as of December 31, 2025, amounts to \$9,935,387 (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 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 \$150,947. 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 2026, the District budgeted revenues and expenditures to remain consistent with regards to 2025.

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 David Atkins, 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, 2025

	Primary Governmental Activities	Component Units
Assets		
Cash and Cash Equivalents	\$ 4,352,956	\$ 1,672,304
Investments	1,041,182	273,566
Ad Valorem Taxes Receivable, Net	8,086,459	-
State Revenue Sharing Receivable	512,298	-
Other Receivables	107,436	-
Prepaid Assets	24,880	17,146
Right-to-Use Lease Assets, Net	143,676	-
Capital Assets Not Depreciated:		
Land	536,735	114,442
Capital Assets Being Depreciated, Net	9,398,652	1,516,751
Total Assets	<u>\$ 24,204,274</u>	<u>\$ 3,594,209</u>
Liabilities		
Accounts Payable	\$ 465,884	\$ 153
Payroll & Related Liabilities Payable	-	124,906
Ad Valorem Tax Deduction Payable	315,324	-
Long-Term Liabilities:		
Due Within One Year	67,131	12,192
Due in More Than One Year	83,816	519,665
Total Liabilities	<u>\$ 932,155</u>	<u>\$ 656,916</u>
Net Position		
Net Investment in Capital Assets	\$ 9,928,116	\$ 1,631,193
Restricted for:		
Other Purposes	-	1,306,100
Unrestricted	13,344,003	-
Total Net Position	<u>\$ 23,272,119</u>	<u>\$ 2,937,293</u>

The accompanying notes are an integral part of these financial statements.

Tangipahoa Parish Rural Fire Protection District No. 2
(A Component Unit of the Tangipahoa Parish Government)
Amite, Louisiana
Statement of Activities
For the Year Ended December 31, 2025

Exhibit B

Functions / Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position	
		Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Primary Government	Component Units
					Governmental Activities	Governmental Activities
Primary Government:						
Administration	\$ 655,572	\$ -	\$ -	\$ -	\$ (655,572)	\$ -
Payroll Reimb.-Volunteer Fire Dept	4,430,015	273,616	-	-	(4,156,399)	-
Insurance	1,662,462	-	-	-	(1,662,462)	-
Fire Contract Payments	819,519	-	-	-	(819,519)	-
Repairs & Maintenance	715,533	-	-	-	(715,533)	-
Other Public Safety	1,339,411	-	-	213,664	(1,125,747)	-
Loss on Disposal of Assets	167,029	-	-	-	(167,029)	-
Amortization Expense	62,988	-	-	-	(62,988)	-
Depreciation Expense	1,076,741	-	-	-	(1,076,741)	-
Total Primary Government	10,929,270	273,616	-	213,664	(10,441,990)	-
Component Units:						
Fire Protection Services	4,817,709	4,191,186	-	-	-	(626,523)
Total Component Units	\$ 4,817,709	\$ 4,191,186	\$ -	\$ -	-	(626,523)
General Revenues:						
Ad Valorem Taxes					8,601,946	-
State Revenue Sharing					512,298	-
2% Fire Insurance Rebate					601,589	-
State Supplemental Pay					232,676	234,842
Interest Income					383,800	22,768
Miscellaneous Revenue					135,804	12,961
Operating Transfers - Component Units					4,362,710	(4,362,710)
Operating Transfers - Kentwood					1,442,838	-
Total General Revenues					16,273,661	(4,092,139)
Change in Net Position					5,831,671	(4,718,662)
Net Position - Beginning of Year, as Previously Reported					17,440,448	7,654,480
Error Correction (See Note 12)					-	1,475
Net Position - Beginning of Year, as Restated					17,440,448	7,655,955
Net Position - End of Year					\$ 23,272,119	\$ 2,937,293

The accompanying notes are an integral part of these financial statements.

Tangipahoa Parish Rural Fire Protection District No. 2
(A Component Unit of the Tangipahoa Parish Government)
Amite, Louisiana
Governmental Fund Balance Sheet
December 31, 2025

Exhibit C

	<u>General Fund</u>
Assets	
Cash and Cash Equivalents	\$ 4,352,956
Investments	1,041,182
Ad Valorem Taxes Receivable, Net	8,086,459
State Revenue Sharing Receivable	512,298
Other Receivables	107,436
Prepaid Assets	24,880
Total Assets	<u>\$ 14,125,211</u>
Liabilities, Deferred Inflows of Resources, and Fund Balance	
Liabilities:	
Accounts Payable	\$ 465,884
Ad Valorem Tax Deduction Payable	315,324
Total Liabilities	<u>781,208</u>
Deferred Inflows of Resources:	
Unavailable Revenue - Property Taxes and State Revenue Sharing	722,280
Total Deferred Inflows of Resources	<u>722,280</u>
Fund Balance:	
Nonspendable	24,880
Unassigned	12,596,843
Total Fund Balance	<u>12,621,723</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$ 14,125,211</u>

The accompanying notes are an integral part of these financial statements.

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, 2025

Total Governmental Fund Balance (Exhibit C)	\$ 12,621,723
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets and right-to-use assets used in governmental activities are not financial resources and therefore are not reported in the governmental fund.	10,079,063
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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	(67,131)
Non-Current (Long-Term) Obligations	(83,816)

Certain property tax and state revenue sharing collections are not available to pay for current-period expenditures and therefore are reported as deferred inflows of resources in the governmental funds.

722,280

Net Position of Governmental Activities (Exhibit A)	<u>\$ 23,272,119</u>
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The accompanying notes are an integral part of these financial statements.

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, 2025

	<u>General Fund</u>
Revenues:	
Ad Valorem Taxes	\$ 8,518,676
Intergovernmental Revenues:	
State Revenue Sharing	510,116
2% Fire Insurance Rebate	601,589
State Supplemental Pay	232,676
Grant Revenue	213,664
Insurance Proceeds	-
Municipal Fire Protection Revenue	273,616
Interest Income	383,800
Worker's Comp Dividends	127,257
Other Revenues	94,153
Total Revenues	<u>10,955,547</u>
Expenditures:	
Public Safety - Fire Protection & Emergency Response:	
Administration:	
Administrative Salaries and Related Benefits	111,943
Pension Fund Mandate Deduction	315,324
Professional Fees & Services	218,655
Election Costs	9,650
Fire Protection & Emergency Response:	
Reimbursement to Volunteer Fire Departments for Payroll	4,430,015
Insurance	1,662,462
Fire Services Contract Payments	819,519
Repairs & Maintenance	715,533
Emergency Reporting Software	163,080
Subscriptions	204,361
Dispatch	67,786
Fuel	164,747
Operating Supplies	98,806
Office Supplies & Postage	17,326
Training	64,051
Personal Protective Equipment	27,751
Fire Prevention Week Materials	20,531
Small Tools & Equipment	98,151
Telephone	50,761
Utilities	195,913
Other	142,313
Debt Service	189,026
Capital Outlay	1,442,803
Total Expenditures	<u>11,230,507</u>
(Deficiency) of Revenues Over Expenditures	(274,960)

(Continued)

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

Statement of Governmental Fund Revenues, Expenditures, and
Change in Fund Balance
For the Year Ended December 31, 2025

Exhibit E
(Continued)

	<u>General Fund</u>
Other Financing Sources:	
Lease Liabilities Issued	-
Operating Transfers - Component Units	<u>5,805,548</u>
Total Other Financing Sources	<u>5,805,548</u>
Net Change in Fund Balance	5,530,588
 Fund Balance - Beginning of the Year, as Previously Reported	 7,727,963
Error Correction (See Note 12)	<u>(636,828)</u>
Fund Balance - Beginning of the Year, as Restated	<u>7,091,135</u>
Fund Balance - End of the Year	<u>\$ 12,621,723</u>

The accompanying notes are an integral part of these financial statements.

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, 2025

Net Change in Fund Balance, Governmental Fund (Exhibit E)	\$ 5,530,588
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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	1,442,803
Amortization Expense - Right of Use Assets	(62,988)
Depreciation Expense - Capital Assets	(1,076,741)

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.

(252,635)

The issuance of long-term debt 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.

Right-to-Use Asset Liabilities	62,161
Repayments of Long-Term Debt	103,031

Property tax revenue and state revenue sharing revenue in the government-wide Statement of Activities include economic resources that are not reported as revenues in the governmental fund operating statement. This is the amount by which current year deferred inflows of resources in the governmental funds \$722,280 increased from the prior year amount \$636,828.

85,452

Change in Net Position of Governmental Activities (Exhibit B)	\$ <u>5,831,671</u>
--	----------------------------

The accompanying notes are an integral part of these financial statements.

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, 2025

	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.
Assets					
Cash and Cash Equivalents	\$ 808,561	\$ 119,525	\$ 64,280	\$ 29,896	\$ 14,112
Investments	211,131	62,435	-	-	-
Due from Other Governments	-	-	-	-	-
Due from Independence VFD	-	-	-	-	-
Due from Loranger VFD	-	-	-	-	-
Due from Ponchatoula VFD	-	-	-	-	-
Due from Manchac VFD	-	-	-	-	-
Prepaid Assets	-	-	-	-	-
Capital Assets, Net	69,541	94,537	9,470	-	-
Total Assets	<u>\$ 1,089,233</u>	<u>\$ 276,497</u>	<u>\$ 73,750</u>	<u>\$ 29,896</u>	<u>\$ 14,112</u>
Liabilities					
Accounts Payable	\$ -	\$ 153	\$ -	\$ -	\$ -
Payroll & Related	-	-	-	-	-
Liabilities Payable	1,375	11,258	15,369	16,363	-
Due to Hammond VFD	-	-	-	-	-
Due to Ponchatoula VFD	-	-	-	-	-
Current Obligations	-	-	-	-	-
Non-Current Obligations	-	-	-	-	-
Total Liabilities	<u>\$ 1,375</u>	<u>\$ 11,411</u>	<u>\$ 15,369</u>	<u>\$ 16,363</u>	<u>\$ -</u>
Net Position					
Net Investment in Capital Assets	\$ 69,541	\$ 94,537	\$ 9,470	\$ -	\$ -
Restricted for:					
Other Purposes	1,018,317	170,549	48,911	13,533	14,112
Total Net Position	<u>\$ 1,087,858</u>	<u>\$ 265,086</u>	<u>\$ 58,381</u>	<u>\$ 13,533</u>	<u>\$ 14,112</u>

(Continued on Next Page)

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

Exhibit G
(Continued)

Combining Statement of Net Position – Discretely Presented Component Units
December 31, 2025

	Natalbany Vol. Fire Dept., Inc.	Ponchatoula Vol. Fire Dept., Inc.	Wilmer Vol. Fire Dept., Inc.	Eighth Ward Vol. Fire Dept., Inc.	Total
Assets					
Cash and Cash Equivalents	\$ 283,589	\$ 152,805	\$ 45,052	\$ 154,484	\$ 1,672,304
Investments	-	-	-	-	273,566
Due from Other Governments	-	-	-	-	-
Due from Independence VFD	-	-	-	-	-
Due from Loranger VFD	-	-	-	-	-
Due from Ponchatoula VFD	-	-	-	-	-
Due from Manchac VFD	-	-	-	-	-
Prepaid Assets	-	-	-	17,146	17,146
Capital Assets, Net	553,968	273,285	7,713	622,679	1,631,193
Total Assets	<u>\$ 837,557</u>	<u>\$ 426,090</u>	<u>\$ 52,765</u>	<u>\$ 794,309</u>	<u>\$ 3,594,209</u>
Liabilities					
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ 153
Payroll & Related	-	-	-	-	-
Liabilities Payable	20,966	15,648	14,011	29,916	124,906
Due to Hammond VFD	-	-	-	-	-
Due to Ponchatoula VFD	-	-	-	-	-
Current Obligations	12,192	-	-	-	12,192
Non-Current Obligations	519,665	-	-	-	519,665
Total Liabilities	<u>\$ 552,823</u>	<u>\$ 15,648</u>	<u>\$ 14,011</u>	<u>\$ 29,916</u>	<u>\$ 656,916</u>
Net Position					
Net Investment in Capital Assets	\$ 553,968	\$ 273,285	\$ 7,713	\$ 622,679	\$ 1,631,193
Restricted for:					
Other Purposes	(269,234)	137,157	31,041	141,714	1,306,100
Total Net Position	<u>\$ 284,734</u>	<u>\$ 410,442</u>	<u>\$ 38,754</u>	<u>\$ 764,393</u>	<u>\$ 2,937,293</u>

The accompanying notes are an integral part of these financial statements.

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, 2025

	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.
Expenses:					
Salaries & Related Benefits	\$ 989,285	\$ 305,500	\$ 685,401	\$ 459,991	\$ -
Depreciation	8,724	4,491	1,373	-	-
Fire Service Contract	-	-	-	-	-
Fuel	-	-	-	-	-
Insurance	-	-	-	-	-
Legal & Professional	1,650	-	-	-	-
Office Supplies & Postage	359	76	-	-	-
Station Supplies	540	220	1,075	-	-
Repairs & Maintenance	1,151	1,086	403	-	1,889
Telephone & Utilities	-	-	-	-	-
Training	6,075	2,719	-	-	-
Uniforms	-	592	-	-	-
Miscellaneous	35	6,110	1,499	550	-
2% Fire Rebate Payments	-	-	-	-	-
Debt Service Payments	-	-	-	-	-
Equipment	-	2,497	-	-	-
Total Expenses	<u>1,007,819</u>	<u>323,291</u>	<u>689,751</u>	<u>460,541</u>	<u>1,889</u>
Program Revenues:					
Charges for Services	764,887	293,806	634,997	404,069	-
Operating Grants	-	-	-	-	-
Capital Grants & Contributions	-	-	-	-	-
Total Program Revenues	<u>764,887</u>	<u>293,806</u>	<u>634,997</u>	<u>404,069</u>	<u>-</u>
Net Program (Expenses) Revenues	(242,932)	(29,485)	(54,754)	(56,472)	(1,889)
General Revenues:					
Ad Valorem Taxes	-	-	-	-	-
State Revenue Sharing	-	-	-	-	-
2% Fire Insurance Rebate	-	-	-	-	-
Interest Income	15,840	359	-	-	24
State Supplemental Pay	63,902	14,400	51,600	48,220	-
Miscellaneous Revenue	270	-	75	-	-
Total General Revenues	<u>80,012</u>	<u>14,759</u>	<u>51,675</u>	<u>48,220</u>	<u>24</u>
Operating Transfers Out	<u>(474,532)</u>	<u>(47,283)</u>	<u>(64,101)</u>	<u>7,714</u>	<u>(1,104,883)</u>
Change in Net Position	(637,452)	(62,009)	(67,180)	(538)	(1,106,748)
Net Position:					
Beginning of the Year, as Previously Reported	1,725,310	327,095	125,561	14,071	1,120,860
Error Corrections	-	-	-	-	-
Beginning of the Year, as Restated	<u>1,725,310</u>	<u>327,095</u>	<u>125,561</u>	<u>14,071</u>	<u>1,120,860</u>
End of the Year	<u>\$ 1,087,858</u>	<u>\$ 265,086</u>	<u>\$ 58,381</u>	<u>\$ 13,533</u>	<u>\$ 14,112</u>

(Continued on Next Page)

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

Exhibit H
(Continued)

Combining Statement of Activities – Discretely Presented Component Units
For the Year Ended December 31, 2025

	Natalbany Vol. Fire Dept., Inc.	Ponchatoula Vol. Fire Dept., Inc.	Wilmer Vol. Fire Dept., Inc.	Eighth Ward Vol. Fire Dept., Inc.	Total
Expenses:					
Salaries & Related Benefits	\$ 738,206	\$ 473,264	\$ 330,185	\$ 586,922	\$ 4,568,754
Depreciation	28,787	63,221	1,446	38,221	146,263
Fire Service Contract	-	-	-	-	-
Fuel	-	-	-	-	-
Insurance	-	-	-	-	-
Legal & Professional	6	-	-	-	1,656
Office Supplies & Postage	569	-	-	-	1,004
Station Supplies	7,742	305	-	109	9,991
Repairs & Maintenance	2,690	19,078	-	5,925	32,222
Telephone & Utilities	-	-	-	-	-
Training	1,375	-	600	-	10,769
Uniforms	944	-	961	-	2,497
Miscellaneous	6,699	70	972	5,757	21,692
2% Fire Rebate Payments	-	-	-	-	-
Debt Service Payments	18,946	-	-	-	18,946
Equipment	1,418	-	-	-	3,915
Total Expenses	807,382	555,938	334,164	636,934	4,817,709
Program Revenues:					
Charges for Services	725,729	466,094	329,686	571,918	4,191,186
Operating Grants	-	-	-	-	-
Capital Grants & Contributions	-	-	-	-	-
Total Program Revenues	725,729	466,094	329,686	571,918	4,191,186
Net Program (Expenses) Revenues	(81,653)	(89,844)	(4,478)	(65,016)	(626,523)
General Revenues:					
Ad Valorem Taxes	-	-	-	-	-
State Revenue Sharing	-	-	-	-	-
2% Fire Insurance Rebate	-	-	-	-	-
Interest Income	1	-	23	6,521	22,768
State Supplemental Pay	7,520	17,400	-	31,800	234,842
Miscellaneous Revenue	138	1,607	650	10,221	12,961
Total General Revenues	7,659	19,007	673	48,542	270,571
Operating Transfers Out	(110,700)	(1,867,708)	(584,330)	(116,887)	(4,362,710)
Change in Net Position	(184,694)	(1,938,545)	(588,135)	(133,361)	(4,718,662)
Net Position:					
Beginning of the Year,					
as Previously Reported	467,953	2,348,987	626,889	897,754	7,654,480
Error Corrections	1,475	-	-	-	1,475
Beginning of the Year, as Restated	469,428	2,348,987	626,889	897,754	7,655,955
End of the Year	\$ 284,734	\$ 410,442	\$ 38,754	\$ 764,393	\$ 2,937,293

The accompanying notes are an integral part of these financial statements.

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, 2025

Narrative Profile

The Tangipahoa Parish Rural Fire Protection District No. 2 (the "District") is a corporate body created by the Tangipahoa Parish Government (the "Council") as provided by Louisiana Revised Statutes (LRS). The District is governed by a board of ten commissioners, all of which are Council members of Parish Government. 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 (GAAP) 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, *The Financial Reporting Entity*, as amended by GASB Statement No. 61, *The Financial Reporting Entity: Omnibus – an amendment of GASB Statements No 14 and No 34*, 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
(A Component Unit of the Tangipahoa Parish Government)
Amite, Louisiana

Notes to Financial Statements (Continued)
For the Year Ended December 31, 2025

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.

Eighth Ward Volunteer Fire Department, Inc.
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.
Natalbany Volunteer Fire Department, Inc.
Ponchatoula Volunteer Fire Department, Inc.
Wilmer Volunteer Fire Department, Inc.

One additional Volunteer Fire Department, the Kentwood Volunteer Fire Department, Inc. is also considered to be a component unit; however, it is not included in the financial statements of the District as this entity has its own independent audit separate from the District and its other discretely presented component units. Their financial statements may be obtained by contacting 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 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)
Amite, Louisiana

Notes to Financial Statements (Continued)
For the Year Ended December 31, 2025

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 Fund

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 Governmental Fund Balance Sheet. The Statement of Governmental Fund Revenues, Expenditures, and Changes in Fund Balance reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach is then reconciled, through adjustment, to a government-wide view of 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 General Fund uses 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
(A Component Unit of the Tangipahoa Parish Government)
Amite, Louisiana

Notes to Financial Statements (Continued)
For the Year Ended December 31, 2025

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

Reconciliation – An explanation of the differences between the Governmental Fund Balance Sheet and the government-wide Statement of Net Position is presented in Exhibit D of the basic financial statements. An explanation of differences between the Statement of Governmental Fund Revenues, Expenditures, and Changes in Fund Balance 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 GAAP.

E. Budgets and Budgetary Accounting

The District adopted an operating budget for its General Fund for the fiscal year ended December 31, 2025. The budget for this fund is adopted on the modified accrual basis of accounting with the following modifications:

- Fund balance is limited to cash and investments less accounts payable.
- Revenue is recorded on the cash basis of accounting.
- Expenditures are recorded on the accrual basis of accounting.

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 2025 budget was introduced on November 25, 2024.
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. The notice of public hearing was published on November 28, 2024.
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 2025 budget was held on December 9, 2024.
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 beginning of the fiscal year for which the budget is adopted. The 2025 budget was adopted on December 9, 2024. Copies of the adopted budgets are kept on file for public inspection.
5. 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 December 22, 2025.

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, 2025

6. All budgetary appropriations lapse at the end of each year. Formal budgetary integration is not employed.

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.

The following schedule reconciles the budgetary revenues and expenditures (Non-GAAP Basis) reported on Schedule 1 to the GAAP basis revenues and expenditures report on Exhibit E:

	Ad Valorem Tax Revenue	State Revenue Sharing	Municipal Fire Protection Revenue
Revenue Reported - GAAP Basis (Exhibit E)	\$ 8,518,676	\$ 510,116	\$ 273,616
Eliminate Receivables at December 31, 2025	(8,086,459)	(512,298)	(101,400)
Deferred Inflows of Resources at December 31, 2025	<u>297,478</u>	<u>341,532</u>	<u>-</u>
	(7,788,981)	(170,766)	(101,400)
Record Receivables at December 31, 2024	7,497,880	341,248	-
Deferred Inflows of Resources at December 31, 2024	<u>(380,748)</u>	<u>(339,350)</u>	<u>-</u>
	<u>7,117,132</u>	<u>1,898</u>	<u>-</u>
Budgetary Revenue Reported - Non-GAAP Basis (Schedule 1)	<u>\$ 7,846,827</u>	<u>\$ 341,248</u>	<u>\$ 172,216</u>

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 – Louisiana Asset Management 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.

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, 2025

G. Accounts and Other Receivables

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 1st 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 2025, two separate 10.00 mill taxes (a total of 20.00 mills) were levied on property within the District's boundaries. One of the 10.00 mill tax levies expires in 2033 and the other 10.00 mill tax levy expires in 2035. Total taxes levied were \$8,327,685. At December 31, 2025, the ad valorem tax receivable was \$8,086,459. Ad valorem taxes receivable at December 31, 2025, are recorded net of a 1.0% allowance for uncollectible taxes of \$83,277.

State Revenue Sharing

For the year 2025, the District received \$512,298 in Louisiana State Revenue Sharing. At December 31, 2025, the state revenue sharing receivable totaled \$512,298. The District considers this receivable fully collectible and, therefore, has not recorded an allowance for uncollectible state revenue sharing revenues.

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 fund and as assets in the government-wide financial statements. Capital assets are valued at historical cost or estimated historical cost if actual cost is 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, 2025, 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.

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Notes to Financial Statements (Continued)
For the Year Ended December 31, 2025

J. Right-to-Use Leased Assets

The District has recorded right-to-use leased assets as a result of implementing GASB Statement No. 87, *Leases*. The right-to-use assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the lease into service. The right-to-use assets are amortized on a straight-line basis over the lesser of the useful life or the lease term.

K. Deferred Inflows of Resources

In addition to liabilities, the Governmental Fund Balance Sheet will sometimes report a separate section for deferred inflow of resources. This separate financial statement element, deferred inflows of resources, represents revenue that is measurable but not yet available and applies to future periods and so will not be recognized as an inflow of resources (revenue) until then. The District has two items that qualify for reporting as Deferred Inflows of Resources on the Balance Sheet, which are amounts related to unavailable property tax revenues and unavailable state revenue sharing revenue.

L. 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.

M. 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 funds 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.

N. 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.

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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.

O. Fund Balance

Governmental fund equity is classified as fund balance. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

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, 2025, the District did not have any restricted, committed, or assigned fund balances.

P. Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the recorded amount of the assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the report period. Actual results could differ from those estimates.

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2. Stewardship, Compliance and Accountability

A. Budgetary Information

Annual budgets are adopted on a basis consistent with GAAP for the General Fund with certain modifications. 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, 2025.

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, the District complied with the deposits and investments laws and regulations.

C. Deficit Fund Equity

As of December 31, 2025, the General Fund did not have a deficit fund equity. As of December 31, 2025, none of the District's discretely presented component units had a deficit net position.

3. Cash, Cash Equivalents, and Investments

A. Primary Government

As reflected on Exhibit A, the District has cash and cash equivalents totaling \$4,352,956 and investments totaling \$1,041,182 at December 31, 2025. 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 always 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.

The following is a summary of cash and investments at December 31, 2025, 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	-
Irrevocable letters of credit issued to Federal Home Bank of Dallas pledged	4,209,473
Uninsured and Uncollateralized	-
Total Deposits	<u>\$ 4,459,473</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 No. 3, *Deposits with Financial Institutions, Investments (including Repurchase Agreements)*,

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and Reverse Repurchase Agreements, as amended by GASB Statement No. 40, *Deposit and Investment Risk Disclosures*, 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, 2025, 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 or irrevocable letters of credit issued by the Federal Home Loan Bank of Dallas.

At December 31, 2025, the District's investment balances are as follows:

	<u>Reported Amount</u>	<u>Fair Value</u>
Louisiana Asset Management Pool:		
General Fund	\$ 1,041,182	\$ 1,041,182

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 requires disclosure of credit risk, custodial credit risk, concentration of credit risk, interest rate risk, and foreign currency risk for all public entity investments.

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 is 73 days as of December 31, 2025.
- Foreign Currency Risk: Not applicable.

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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 \$1,672,304 and investments totaling \$273,566 at December 31, 2025.

At December 31, 2025, the discretely presented component units' investment balances are as follows:

	<u>Reported Amount</u>	<u>Fair Value</u>
Certificates of Deposit:		
Hammond Rural Fire Department, Inc.	211,131	211,131
Husser Volunteer Fire Department, Inc.	62,435	62,435
Total	<u>\$ 273,566</u>	<u>\$ 273,566</u>

At December 31, 2025, the discretely presented component units had \$1,774,436 in total deposits (collected bank balances), of which \$1,712,000 are in their separate accounts. Component unit deposits secured by FDIC insurance total \$1,731,183 at December 31, 2025, while the remaining \$43,253 is uninsured and uncollateralized.

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.

As of December 31, 2025, the District's total collected bank balances was \$4,459,473. Of this amount, \$4,459,473 was exposed to custodial credit risk. Of this amount, \$4,209,473 is uninsured but collateralized with a pledge of Federal Home Loan Bank of Dallas letters of credit issued to the District's bank.

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Notes to Financial Statements (Continued)
For the Year Ended December 31, 2025

5. Receivables

A. Primary Government

Receivables at December 31, 2025, are as follows:

Property Tax Receivable, Net	\$ 8,086,459
State Revenue Sharing Receivable	512,298
Other Receivables	<u>107,436</u>
Receivables at December 31, 2025, Net	<u>\$ 8,706,193</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 receivable.

6. Right-to-Use Lease Assets

Right-to-use leased assets and accumulated amortization activity as of and for the year ended December 31, 2025, are as follows:

	<u>Balance</u> <u>12/31/24</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12/31/25</u>
Right-to-Use Assets				
Leased Vehicles	\$ 344,974	\$ -	\$ -	\$ 344,974
Less: Accumulated Amortization	<u>(138,310)</u>	<u>(62,988)</u>	<u>-</u>	<u>(201,298)</u>
Right-to-Use Assets, Net	<u>\$ 206,664</u>	<u>\$ (62,988)</u>	<u>\$ -</u>	<u>\$ 143,676</u>

The right-to-use assets are amortized on a straight-line basis over the economic useful life of the asset or life of the related lease, whichever is shorter.

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Notes to Financial Statements (Continued)
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7. Capital Assets

A. Primary Government

Capital assets and depreciation activity as of and for the year ended December 31, 2025, are as follows:

	Balance 12/31/24	Additions	Deletions	Balance 12/31/25
Capital Assets Not Depreciated:				
Land	\$ 536,735	\$ -	\$ -	\$ 536,735
Total Capital Assets Not Depreciated	536,735	-	-	536,735
Other Capital Assets:				
Buildings	5,529,710	-	-	5,529,710
Equipment & Furniture	4,903,067	833,361	21,360	5,715,068
Vehicles	13,587,691	609,442	933,310	13,263,823
Total Other Capital Assets	24,020,468	1,442,803	954,670	24,508,601
Less Accumulated Depreciation:				
Buildings	(2,071,373)	(151,007)	-	(2,222,380)
Equipment & Furniture	(2,875,492)	(498,032)	(21,360)	(3,352,164)
Vehicles	(9,788,378)	(427,702)	(680,675)	(9,535,405)
Total Accumulated Depreciation	(14,735,243)	(1,076,741)	(702,035)	(15,109,949)
Total Other Capital Assets, Net	9,285,225	366,062	252,635	9,398,652
Total	\$ 9,821,960	\$ 366,062	\$ 252,635	\$ 9,935,387

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

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

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Notes to Financial Statements (Continued)
For the Year Ended December 31, 2025

B. Discretely Presented Component Units

Capital assets and depreciation activity as of and for the year ended December 31, 2025, are as follows:

	Balance 12/31/24	Additions	Deletions	Balance 12/31/25
Hammond Volunteer Fire Department:				
Equipment	\$ 54,137	\$ 46,494	\$ -	\$ 100,631
Less: Accumulated Depreciation	(22,366)	(8,724)	-	(31,090)
Total	<u>\$ 31,771</u>	<u>\$ 37,770</u>	<u>\$ -</u>	<u>\$ 69,541</u>
Husser Volunteer Fire Department:				
Equipment	\$ 22,463	\$ 83,622	\$ -	\$ 106,085
Less: Accumulated Depreciation	(7,057)	(4,491)	-	(11,548)
Total	<u>\$ 15,406</u>	<u>\$ 79,131</u>	<u>\$ -</u>	<u>\$ 94,537</u>
Independence Volunteer Fire Department:				
Equipment	\$ 203,051	\$ -	\$ -	\$ 203,051
Vehicles	26,335	-	-	26,335
Less: Accumulated Depreciation	(218,543)	(1,373)	-	(219,916)
Total	<u>\$ 10,843</u>	<u>\$ (1,373)</u>	<u>\$ -</u>	<u>\$ 9,470</u>
Natalbany Volunteer Fire Department:				
Land	\$ 62,562	\$ -	\$ -	\$ 62,562
Buildings	514,684	-	-	514,684
Building Improvements	260,172	-	-	260,172
Equipment	329,845	16,786	-	346,631
Vehicles	207,133	-	-	207,133
Less: Accumulated Depreciation	(808,427)	(28,787)	-	(837,214)
Total	<u>\$ 565,969</u>	<u>\$ (12,001)</u>	<u>\$ -</u>	<u>\$ 553,968</u>
Ponchatoula Volunteer Fire Department:				
Equipment	\$ 321,508	\$ -	\$ -	\$ 321,508
Vehicles	230,319	44,149	-	274,468
Less: Accumulated Depreciation	(259,470)	(63,221)	-	(322,691)
Total	<u>\$ 292,357</u>	<u>\$ (19,072)</u>	<u>\$ -</u>	<u>\$ 273,285</u>

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For the Year Ended December 31, 2025

	Balance 12/31/24	Additions	Deletions	Balance 12/31/25
Continued from Previous Page				
Wilmer Volunteer Fire Department:				
Vehicles	\$ 157,758	\$ -	\$ -	\$ 157,758
Equipment	15,181	-	-	15,181
Less: Accumulated Depreciation	(163,780)	(1,446)	-	(165,226)
Total	<u>\$ 9,159</u>	<u>\$ (1,446)</u>	<u>\$ -</u>	<u>\$ 7,713</u>
Eighth Ward Volunteer Fire Department:				
Land	\$ 51,880	\$ -	\$ -	\$ 51,880
Buildings	691,785	-	-	691,785
Vehicles	480,152	-	-	480,152
Equipment	85,769	4,427	-	90,196
Less: Accumulated Depreciation	(653,113)	(38,221)	-	(691,334)
Total	<u>\$ 656,473</u>	<u>\$ (33,794)</u>	<u>\$ -</u>	<u>\$ 622,679</u>
Total Component Units Capital Assets	\$ 3,714,734	\$ 195,478	\$ -	\$ 3,910,212
Less: Total Accumulated Depreciation	(2,132,756)	(146,263)	-	(2,279,019)
Total Component Units Capital Assets, Net	<u>\$ 1,581,978</u>	<u>\$ 49,215</u>	<u>\$ -</u>	<u>\$ 1,631,193</u>

8. Long-Term Liabilities

A. Primary Government

The following is a summary of the long-term liabilities of the District for the year ended December 31, 2025:

Type of Debt	Balance 12/31/24	Debt Issued	Debt Retired	Balance 12/31/25	Due In One Year
Right-to-Use Asset Leases:					
Enterprise FM Trust Leases	\$ 213,108	\$ -	\$ 62,161	\$ 150,947	\$ 67,131
Motorola Radios Financing	103,031	-	103,031	-	-
Total	<u>\$ 316,139</u>	<u>\$ -</u>	<u>\$ 165,192</u>	<u>\$ 150,947</u>	<u>\$ 67,131</u>

Beginning in 2019, the District entered into various lease contracts with Enterprise FM Trust for the lease of vehicles. The lease contracts have various effective dates, are for a 60-month period, include interest rates ranging from 4.370% to 9.542% and have various monthly payments. Payments during 2025 on these lease contracts totaled \$62,161 principal and \$21,237 of interest. Accumulated amortization on these vehicle leases as of December 31, 2025, totaled \$201,298.

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Notes to Financial Statements (Continued)
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On July 1, 2020, the District entered into a lease-purchase agreement with Motorola Solutions Credit Company, LLC for the lease of 154 Motorola radios for \$512,814. The lease-purchase contract is at a fixed interest rate of 0.000% for the first two years and 2.520% for the final three years. The obligation is effective for a period of 60 months through July 2025. Annual payments of \$105,627.66 began on July 1, 2021. Total payments during 2025 totaled \$103,031 principal and \$2,597 of interest. The lease has been paid in full as of December 31, 2025.

The annual requirements to amortize all debt outstanding for the primary government at December 31, 2025, including interest payment of \$13,317 is as follows:

Year Ended December 31,	Vehicle Leases	Motorola Financing Contract	Total
2026	\$ 76,094	\$ -	\$ 76,094
2027	66,230	-	66,230
2028	21,940	-	21,940
	164,264	-	164,264
Less: Interest Portion	13,317	-	13,317
	<u>\$ 150,947</u>	<u>\$ -</u>	<u>\$ 150,947</u>

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, 2025:

Type of Debt	Balance 12/31/24	Debt Issued	Debt Retired	Balance 12/31/25	Due In One Year
Notes Payable:					
Loranger VFD	\$ 62,657	\$ -	\$ (62,657)	\$ -	\$ -
Independence VFD	34,864	-	(34,864)	-	-
USDA Rural Housing Service	543,632	-	11,775	531,857	12,192
Total	<u>\$ 641,153</u>	<u>\$ -</u>	<u>\$ (85,746)</u>	<u>\$ 531,857</u>	<u>\$ 12,192</u>

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%. 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%. On January 1, 2025, a new contract was signed between the District and the ten Volunteer Fire Departments. Under this new contract, funds previously allocated to the various Volunteer Fire Departments were consolidated with the District. As a result, all inter-department loans have been consolidated and eliminated.

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On December 13, 2012, the Natalbany Volunteer Fire Department, Inc. entered into a Community Facilities Grant Agreement with the United States Department of Agriculture Rural Housing Service (USDA) to undertake the acquisition, construction, enlargement, capital improvement, or purchase of equipment. The total estimated cost of the project was \$672,554 of which \$653,000 and was financed by loans and \$19,554 issued through grant funds. Proceeds received from the grant agreement must be deposited into a separate bank account. The loan is for 40-years bearing interest at 3.514%. The loan also required that \$265 each month be placed in a reserve account until the balance accumulates to \$31,800. The building is security for the loan. The Natalbany Volunteer Fire Department, Inc. made the required deposits to the account for the year then ended. The loan balance is being paid in monthly installments of \$2,560.

The annual requirements to amortize all debt outstanding for the discretely presented component units at December 31, 2025, including interest payments of \$291,402 are as follows:

Year Ended December 31,	Total
2026	\$ 30,720
2027	30,720
2028	30,720
2029	30,720
2030	30,720
2031 - 2035	153,600
2036 - 2040	153,600
2041 - 2045	153,600
2046 - 2050	153,600
2051 - 2053	55,259
	<u>823,259</u>
Less: Interest Portion	291,402
	<u>\$ 531,857</u>

9. 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.

In accordance with the disclosure requirements of GASB Statement No. 77, *Tax Abatement Disclosures*, \$48,834 of the District's ad valorem tax revenues for the year 2025 were abated as a result of this program.

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Notes to Financial Statements (Continued)
For the Year Ended December 31, 2025

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.

Darrell Sinagra, Board Member (Parish Council District 1)	\$ -
John Ingraffia, Board Member (Parish Council District 2)	-
Louis "Nick" Joseph, Board Member (Parish Council District 3)	-
Joseph "Joe" Havis, 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)	-
Brigette Delatte Hyde, Board Member (Parish Council District 9)	-
Strader Cieutat, Board Member (Parish Council District 10)	-
Total	<u>\$ -</u>

11. 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.

12. Error Corrections

A. Fund Financial Statements

During the year ended December 31, 2025, the District determined that the prior year financial statements for the General Fund omitted deferred inflows of resources related to unavailable ad valorem tax revenues and unavailable state revenue sharing. As a result, deferred inflows of resources were understated and beginning fund balance of the General Fund was overstated by \$636,828.

The error has been corrected in the accompanying financial statements by restating the beginning fund balance of the General Fund as of January 1, 2025. Accordingly, the prior period financial statements have been restated to reflect the recognition of the deferred inflows of resources for unavailable revenues.

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Notes to Financial Statements (Continued)

For the Year Ended December 31, 2025

The following tables summarize the restatements to the District's beginning fund balance in the General Fund:

	General Fund
Fund Balance:	
Beginning of the Year, as Previously Reported	\$ 7,727,963
Error Corrections	(636,828)
Beginning of the Year, as Restated	<u>\$ 7,091,135</u>

B. Discretely Presented Component Units

Natalbany Volunteer Fire Department, Inc. (Natalbany VFD):

During the current year, an error correction of \$1,475 was made to the beginning net position to correct an error at December 31, 2024, related to accounts payable for the Natalbany Volunteer Fire Department, Inc.

The following table summarizes the restatement to Natalbany VFD's beginning net position:

	Natalbany VFD
Net Position:	
Beginning of the Year, as Previously Reported	\$ 467,953
Error Corrections	1,475
Beginning of the Year, as Restated	<u>\$ 469,428</u>

13. On-Behalf Payments

The District follows GASB Statement No. 24, *Accounting and Financial Reporting for Certain Grants and Other financial Assistance*. The 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, 2025, the State paid \$6,000 in supplemental salary payments to the Fire Administrator of the District.

For the fiscal year ended December 31, 2025, the State paid supplemental salaries to the component units' employees in the amount of \$234,842.

14. Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, June 22, 2026, and determined that no events occurred that require disclosure.

No subsequent events occurring after June 22, 2026, have been evaluated for inclusion in these financial statements.

Required Supplementary 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, 2025

	Original Budget	Final Budget	Actual Amounts - Budgetary Basis	Variance with Final Budget Favorable / (Unfavorable)
Revenues:				
Ad Valorem Taxes	\$ 7,869,981	\$ 7,864,539	\$ 7,846,827	\$ (17,712)
Intergovernmental Revenues:				
State Revenue Sharing	499,833	499,833	341,248	(158,585)
2% Fire Insurance Rebate	572,181	601,589	601,589	-
State Supplemental Pay	153,160	200,000	232,676	32,676
Grant Revenue	-	213,664	213,664	-
Municipal Fire Protection Revenue	287,308	272,825	172,216	(100,609)
Interest Income	500,000	385,000	383,800	(1,200)
Worker's Comp Dividends	-	127,257	127,257	-
All Other Income	150,000	94,000	94,153	153
Total Revenues	10,032,463	10,258,707	10,013,430	(245,277)
Expenditures:				
Public Safety - Fire Protection & Emergency Response:				
Administration:				
Administrative Salaries & Benefits	117,619	117,619	111,943	5,676
Pension Fund Mandate Deduction	290,000	297,705	315,324	(17,619)
Professional Fees & Services	208,000	208,000	218,655	(10,655)
Election Costs	-	9,650	9,650	-
Fire Protection & Emergency Response:				
Volunteer Fire Department Payroll	4,280,143	4,304,736	4,430,015	(125,279)
Insurance	1,223,455	1,587,000	1,662,462	(75,462)
Fire Services Contract Payments	800,000	895,000	819,519	75,481
Repairs & Maintenance	923,000	907,536	715,533	192,003
2% Fire Insurance Rebate	-	601,589	-	601,589
Emergency Reporting Software	163,080	163,080	163,080	-
Subscriptions	76,000	144,356	204,361	(60,005)
Dispatch	250,486	67,786	67,786	-
Fuel	219,500	219,500	164,747	54,753
Operating Supplies	191,600	181,100	98,806	82,294
Office Supplies & Postage	31,450	29,450	17,326	12,124
Training	91,000	89,344	64,051	25,293
Personal Protective Equipment	69,000	62,500	27,751	34,749
Fire Prevention Week Materials	6,000	7,500	20,531	(13,031)
Small Tools & Equipment	108,500	108,799	98,151	10,648
Telephone	73,700	74,700	50,761	23,939
Utilities	183,500	185,419	195,913	(10,494)
Other	162,000	136,780	142,313	(5,533)
Debt Service	185,540	189,076	189,026	50
Capital Outlay	645,500	1,433,500	1,442,803	(9,303)
Total Expenditures	10,299,073	12,021,725	11,230,507	791,218
(Deficiency) of Revenues over Expenditures	(266,610)	(1,763,018)	(1,217,077)	545,941

See independent auditor's report.

(Continued)

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

Schedule 1
(Continued)

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2025

	Original Budget	Final Budget	Actual Amounts - Budgetary Basis	Variance with Final Budget Favorable / (Unfavorable)
Other Financing Sources (Uses):				
Operating Transfers - Component Units	5,624,099	5,591,618	5,805,548	213,930
Total Other Financing Sources (Uses)	5,624,099	5,591,618	5,805,548	213,930
Net Change in Fund Balance	5,357,489	3,828,600	4,588,471	759,871
Fund Balance, Beginning of the Year, as Previously Reported	175,901	175,901	175,901	-
Fund Balance, End of the Year	\$ 5,533,390	\$ 4,004,501	\$ 4,764,372	\$ 759,871

See independent auditor's report.

Other Supplementary 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)
Amite, Louisiana

Schedule 2

Schedule of Compensation, Benefits and Other Payments to Agency Head
For the Year Ended December 31, 2025

Agency Head: David Atkins, Fire Administrator

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 61,073
Salary - Supplemental Pay	7,200
Benefits - Insurance	18,412
Benefits - Retirement	6,718
Benefits - Medicare	1,003
Benefits - Worker's Compensation Insurance	80
Vehicle Provided by Government (Taxed on W-2)	687
Health Club	240
	<u>\$ 95,413</u>

See independent auditor's report.

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

CHARLES P. HEBERT, CPA

CHRISTOPHER S. JOHNSON, CPA, MBA

ADAM C. HEBERT, CPA

MEMBER

American Institute of Certified Public Accountants
Society of Louisiana Certified Public Accountants



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A PROFESSIONAL ACCOUNTING CORPORATION

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

We 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, the general fund and the aggregate discretely presented component units of Tangipahoa Parish Rural Fire Protection District No. 2 (District), a component unit of the Tangipahoa Parish Government, as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated June 22, 2026.

Report on Internal Control over Financial Reporting

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

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 District's financial statements will not be prevented, or detected and corrected, on a timely basis. 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.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified certain deficiencies in internal control, described in the accompanying schedule of findings as item 2025-01 that we consider to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Tangipahoa Parish Rural Fire Protection District No. 2's Response to Finding

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the finding identified in our audit and described in the accompanying Schedule of Current Year Audit Findings. The District's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of our 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. Accordingly, this communication is not suitable for any other purpose. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Hebert Johnson & Associates

Hebert Johnson & Associates, Inc.
A Professional Accounting Corporation
Ponchatoula, Louisiana
June 22, 2026

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, 2025

A. Primary Government

SECTION 1. INTERNAL CONTROL & COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS	
2024-01 Violation of the Public Bid Law	Resolved
SECTION 2. INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS	
None	
SECTION 3. MANAGEMENT LETTER	
None	

B. Discretely Presented Component Units

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
For the Year Ended December 31, 2025

SECTION I – SUMMARY OF AUDITOR’S RESULTS

We have audited the financial statements of Tangipahoa Parish Rural Fire Protection District No. 2 as of and for the year ended December 31, 2025, and have issued our report thereon dated June 22, 2026. We conducted our 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 and Uniform Guidance, Audits of States, Local Governments, and Non-Profit Organizations. Our audit of the financial statements as of December 31, 2025, resulted in:

- An unqualified opinion of all opinion units.

Report on Internal Control and Compliance Material to the Financial Statements

Internal control

Material weaknesses identified? ☐ Yes ☒ No

Significant deficiencies identified not considered to be material weaknesses? ☒ Yes ☐ No

Compliance

Noncompliance material to financial statements noted? ☐ Yes ☒ No

Management Letter

Was a management letter issued? ☐ Yes ☒ No

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, 2025

SECTION II – FINANCIAL STATEMENT FINDINGS

2025-01 Time and Attendance Records

Criteria:

Effective internal controls over payroll require employee time records supporting compensation and supplemental pay eligibility to be maintained and approved by an appropriate supervisor or governing authority.

Condition:

During our audit procedures, we noted certain fire chiefs employed by contracted fire departments did not submit timesheets or other documented support for hours worked. Additionally, no documented review or approval procedures were in place to verify the accuracy or completeness of hours associated with supplemental pay eligibility.

Cause:

The District did not implement formal procedures requiring approval and submission of time and attendance records for the Fire Chiefs by an appropriate supervisor.

Effect:

Without adequate review and approval procedures, the District has an increased risk that inaccurate or unsupported payroll and supplemental compensation payments could occur and not be detected.

Recommendation:

We recommend the District require all employees to maintain time and attendance records supporting compensation and supplemental pay eligibility. In addition, we recommend the board president or other designated governing official of each contracted fire department review and approve the fire chief's supporting documentation. For departments with employees receiving supplemental pay, the designated governing official should review and certify the supplemental pay warrant and related supporting documentation to ensure eligibility requirements have been met.



David Atkins
ADMINISTRATOR

**TANGIPAHOA PARISH RURAL FIRE
PROTECTION DISTRICT NO. 2**

P. O. BOX 818 • AMITE, LOUISIANA 70422
(985) 748-2277
FAX (985) 748-2301
Email: datkins@tangipahoa.org

June 16, 2026

Mr. Christopher S. Johnson, CPA, MBA
P.O. Box 520
Albany, LA 70711

RE: *Regular Annual Audit
Tangipahoa Parish Rural Fire Protection District No. 2
As of and for the Year Ended December 31, 2025
Response to Audit Finding*

Dear Mr. Johnson,

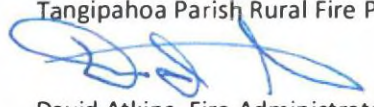
In your regular annual audit report of the Tangipahoa Parish Rural Fire Protection District No. 2 ("Fire District") for the year ended December 31, 2025, you reported one finding related to the time and attendance recordkeeping of the volunteer fire departments that receive reimbursement of their payroll costs from the Fire District. The following contains our responses to your findings:

2025-01 – Time and Attendance Records

The fire chiefs and paid firemen are employees of the ten volunteer fire departments providing fire protection and emergency response services to the rural areas of Tangipahoa Parish. The salaries and payroll taxes paid by the volunteer fire departments are reimbursed by the Fire District pursuant to the terms of the fire contract between the Fire District and the volunteer fire departments. The volunteer fire departments are required to submit a Payroll Reimbursement Form along with a detailed payroll journal by employee, daily time sheets by employee and payroll check stubs to be reviewed by the Fire Administrator prior to reimbursement.

It has always been the policy of the Fire District to require the volunteer fire departments to keep accurate time and attendance recordkeeping of employees to adequately document the time worked, including the fire chief. For those employees receiving Louisiana State Firefighters Supplemental Pay, the Fire District will continue to require those employees including fire chiefs to submit detailed time and attendance records certifying their status as "regularly employed," "full-time" fire department personnel eligible for Louisiana State Firefighters Supplemental Pay. In the future, the Fire District will request the Louisiana State Firefighters Supplemental Pay program to have the fire chiefs be the designated governing official to review and certify the monthly supplemental pay warrants and related supporting documentation to ensure eligibility requirements have been met.

Respectfully submitted,
Tangipahoa Parish Rural Fire Protection District No. 2


David Atkins, Fire Administrator

COMMISSIONERS

DARRELL SINAGRA
EMILE "JOEY" MAYEAUX

JOHN INGRAFFIA
LIONELL WELLS

LOUIS JOSEPH
DAVID P. VIAL

JOSEPH "JOE" HAVIS
BRIGETTE HYDE

H.G. "BUDDY" RIDGEL
STRADER CIEUTAT

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

STATEWIDE AGREED-UPON PROCEDURES REPORT

Fiscal Period January 1, 2025 through December 31, 2025



**Hebert Johnson
& Associates, Inc.**
Certified Public Accountants

A Professional Accounting Corporation

CHARLES P. HEBERT, CPA

CHRISTOPHER S. JOHNSON, CPA, MBA

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A P R O F E S S I O N A L A C C O U N T I N G C O R P O R A T I O N

INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES
FOR THE YEAR ENDED DECEMBER 31, 2025

To the Board of Commissioners of
Tangipahoa Parish Rural Fire Protection District No. 2
and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2025 through December 31, 2025. Tangipahoa Parish Rural Fire Protection District No. 2's management is responsible for those C/C areas identified in the SAUPs.

Tangipahoa Parish Rural Fire Protection District No. 2 has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period January 1, 2025 through December 31, 2025. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

1) Written Policies and Procedures

1. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:
 - a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.
 - b) ***Purchasing***, including (1) how purchases are initiated, (2) how vendors are added to the vendor list, (3) the preparation and approval process of purchase requisitions and purchase orders, (4) controls to ensure compliance with the Public Bid Law, and (5) documentation required to be maintained for all bids and price quotes.
 - c) ***Disbursements***, including processing, reviewing, and approving.

- d) ***Receipts/Collections***, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).
- e) ***Payroll/Personnel***, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee rates of pay or approval and maintenance of pay rate schedules.
- f) ***Contracting***, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- g) ***Travel and Expense Reimbursement***, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- h) ***Credit Cards (and debit cards, fuel cards, purchase cards, if applicable)***, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
- i) ***Ethics***, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.
- j) ***Debt Service***, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- k) ***Information Technology Disaster Recovery/Business Continuity***, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.
- l) ***Prevention of Sexual Harassment***, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

No exceptions were found as a result of these procedures.

2) Board or Finance Committee

2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and
 - i. Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
 - ii. For those entities reporting on the governmental accounting model, review the minutes from all regularly scheduled board/finance committee meetings held during the fiscal year and observe whether the minutes from at least one meeting each month referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual comparisons, at a minimum, on all proprietary funds, and semi-annual budget-to-actual comparisons, at a minimum, on all special revenue funds. *Alternatively, for those entities reporting on the not-for-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*
 - iii. For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.
 - iv. Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

No exceptions were found as a result of these procedures.

3) Bank Reconciliations

3. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:
 - i. Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);
 - ii. Bank reconciliations include written evidence that a member of management or a board member who does not handle cash, post ledgers, or issue checks has reviewed

- each bank reconciliation within 1 month of the date the reconciliation was prepared (e.g., initialed and dated or electronically logged); and
- iii. Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

No exceptions were found as a result of these procedures.

4) Collections (excluding electronic funds transfers)

- A. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).
- B. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (e.g., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if there are no written policies or procedures, then inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that
- i. Employees responsible for cash collections do not share cash drawers/registers;
- ii. Each employee responsible for collecting cash is not also responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit;
- iii. Each employee responsible for collecting cash is not also responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit; and
- iv. The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or custodial fund additions, is (are) not also responsible for collecting cash, unless another employee/official verifies the reconciliation.
- C. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe that the bond or insurance policy for theft was in force during the fiscal period.
- D. Randomly select two deposit dates for each of the 5 bank accounts selected for Bank Reconciliations procedure #3A (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternatively, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and

- i. Observe that receipts are sequentially pre-numbered.
- ii. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
- iii. Trace the deposit slip total to the actual deposit per the bank statement.
- iv. Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
- v. Trace the actual deposit per the bank statement to the general ledger.

No exceptions were found as a result of these procedures.

5) Non-Payroll Disbursements (excluding card purchases, travel reimbursements, and petty cash purchases)

- A. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).
- B. For each location selected under procedure #5A above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, then inquire of employees about their job duties), and observe that job duties are properly segregated such that
 - i. At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order or making the purchase;
 - ii. At least two employees are involved in processing and approving payments to vendors;
 - iii. The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files;
 - iv. Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments; and
 - v. Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.

[Note: Findings related to controls that constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality) should not be reported.]

- C. For each location selected under procedure #5A above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction, and
- i. Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation indicates that deliverables included on the invoice were received by the entity, and
 - ii. Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under procedure #5B above, as applicable.
- D. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3A, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy. *Note: If no electronic payments were made from the main operating account during the month selected the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.*

No exceptions were found as a result of these procedures.

6) Credit Cards/Debit Cards/Fuel Cards/Purchase Cards (Cards)

- A. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and purchase cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.
- B. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement). Obtain supporting documentation, and
- a) Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., itemized receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved) by someone other than the authorized card holder (those instances requiring such approval that may constrain the legal authority of certain public officials, such as the mayor of a Lawrason Act municipality, should not be reported); and
 - b) Observe that finance charges and late fees were not assessed on the selected statements.

- C. Using the monthly statements or combined statements selected under procedure #6B above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (e.g., each card should have 10 transactions subject to inspection). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and observe whether management had a compensating control to address missing receipts, such as a “missing receipt statement” that is subject to increased scrutiny.
- D. Using the list of terminated employees obtained in Payroll and Personnel procedure #9C identify those individuals who had access to cards and randomly select 5 terminated employees (or all terminated employees with card access if less than 5) from this population. Observe evidence that the cards have been deactivated for these terminated employees. In cases where a card is shared by multiple users, obtain evidence that the terminated employees’ authorization has been removed.

No exceptions were found as a result of these procedures.

7) Travel and Travel-Related Expense Reimbursements (excluding card transactions)

- A. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management’s representation that the listing or general ledger is complete. Randomly select 5 reimbursements and obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected
 - i. If reimbursed using a per diem, observe that the approved reimbursement rate is no more than those rates established either by the State of Louisiana (doa.la.gov/doa/ost/ppm-49-travel-guide/) or the U.S. General Services Administration (www.gsa.gov);
 - ii. If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased;
 - iii. Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by Written Policies and Procedures procedure #1A(vii); and
 - iv. Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

No exceptions were found as a result of these procedures.

8) Contracts

- A. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternatively, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and
- i. Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law;
 - ii. Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter);
 - iii. If the contract was amended (e.g., change order), observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, the documented approval); and
 - iv. Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

No exceptions were found as a result of these procedures.

9) Payroll and Personnel

- A. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
- B. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under procedure #9A above, obtain attendance records and leave documentation for the pay period, and
- i. Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory);
 - ii. Observe whether supervisors approved the attendance and leave of the selected employees or officials;
 - iii. Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records; and

- iv. Observe the rate paid to the employees or officials agrees to the authorized salary/pay rate found within the personnel file.
- C. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials and obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee's or official's cumulative leave records, agree the pay rates to the employee's or official's authorized pay rates in the employee's or official's personnel files, and agree the termination payment to entity policy.
- D. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums) have been paid, and any associated forms have been filed, by required deadlines.

No exceptions were found as a result of these procedures.

10) Ethics

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A obtain ethics documentation from management, and
 - a. Observe whether the documentation demonstrates that each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and
 - b. Observe whether the entity maintains documentation which demonstrates that each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.
- 23. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

No exceptions were found as a result of these procedures.

11) Debt Service

- A. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each debt instrument issued as required by Article VII, Section 8 of the Louisiana Constitution.
- B. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and

payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

No exceptions were found as a result of these procedures.

12) Fraud Notice

- A. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled as required by R.S. 24:523.
- B. Observe that the entity has posted, on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

No exceptions were found as a result of these procedures.

13) Information Technology Disaster Recovery/Business Continuity

Perform the following procedures, **verbally discuss the results with management, and report "We performed the procedure and discussed the results with management":**

- A. Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if there is no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government's local server or network, and (c) was encrypted.
- B. Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if there is no written documentation, then inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.
- C. Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.
- D. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in Payroll and Personnel procedure #9C. Observe evidence that the selected terminated employees have been removed or disabled from the network.
- E. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain cybersecurity training documentation from management, and observe that the documentation demonstrates that the following employees/officials with access to the

agency's information technology assets have completed cybersecurity training as required by R.S. 42:1267. The requirements are as follows:

- Hired before June 9, 2020 - completed the training; and
- Hired on or after June 9, 2020 - completed the training within 30 days of initial service or employment.

We performed the procedure and discussed the results with management.

14) Prevention of Sexual Harassment

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.
- B. Observe that the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).
- C. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe that the report includes the applicable requirements of R.S. 42:344:
 - i. Number and percentage of public servants in the agency who have completed the training requirements;
 - ii. Number of sexual harassment complaints received by the agency;
 - iii. Number of complaints which resulted in a finding that sexual harassment occurred;
 - iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
 - v. Amount of time it took to resolve each complaint.

No exceptions were found as a result of these procedures.

We were engaged by Tangipahoa Parish Rural Fire Protection District No. 2 to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of Tangipahoa Parish Rural Fire Protection District No. 2 and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

Hebert Johnson & Associates

Hebert Johnson & Associates, Inc.
A Professional Accounting Corporation
Albany, Louisiana
June 22, 2026