

**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, 2016

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

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

Report on the Financial Statements

I have audited the accompanying financial statements of the governmental activities, the general fund, and the aggregate discretely presented component units of the Tangipahoa Parish Rural Fire Protection District No. 2 (the District) a component unit of the Tangipahoa Parish Government, Amite, Louisiana, as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the general fund, and the aggregate discretely presented component units of the Tangipahoa Parish Rural Fire Protection District No. 2 of Amite City, Louisiana, as of December 31, 2016, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison schedules on page 3611 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, I have also issued my report dated June 28, 2017, on my consideration of the Town's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Lee Gray, CPA". The signature is written in a cursive style.

Certified Public Accountant

June 28, 2017

Required Supplemental Information (Part I):

Management's Discussion and Analysis

Tangipahoa Parish Rural Fire Protection District No. 2
(A Component Unit of the Tangipahoa Parish Government)
Amite, Louisiana
Management's Discussion and Analysis
For the Year Ended December 31, 2016

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, 2016. This Management Discussion and Analysis (the "MD&A") 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 MD&A should be considered only a part of a greater whole. The readers of this statement should take time to read and evaluate all sections of this report, including the footnotes and the other Required Supplemental Information that is provided.

Financial Highlights

- Total assets for the year were \$15,757,970 at December 31, 2016, and exceeded liabilities in the amount of \$14,323,044 (i.e., net position). Of the total net position, the unrestricted amount was a positive \$5,708,825 and the remaining value of \$8,614,219 was invested in capital assets.
- The District's total revenues for the year increased from the prior year by 4.85% from \$6,226,987 to \$6,529,144, largely because of increases in property tax assessments.
- Expenses for the year decreased by \$641,107 from the prior year from \$6,302,293 to \$5,661,186.
- Total governmental net position increased by \$867,958 over the prior fiscal year.

Overview of the Financial Statements

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

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

Government-Wide Financial Statements

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

- The Statement of Net Position presents information on all of the District's assets and liabilities using the accrual basis of accounting, which is similar to the accounting method used by most private-sector

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(A Component Unit of the Tangipahoa Parish Government)
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Management's Discussion and Analysis
For the Year Ended December 31, 2016

companies. The difference between the assets and liabilities is reported as net position. Over time, increases or decreases in net position may serve as an indicator of whether the financial position of the District is improving or weakening.

- The Statement of Activities presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation time).

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

Government-Wide Financial Analysis

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

Condensed Statement of Net Position

	<u>2016</u>	<u>2015</u>	<u>\$ Change</u>	<u>% Change</u>
Assets:				
Current and Other Assets	\$ 7,076,774	\$ 6,837,074	\$ 239,700	3.51%
Land	499,250	499,250	-	0.00%
Capital Assets, Net	8,181,946	7,883,099	298,847	3.79%
Total Assets	<u>\$ 15,757,970</u>	<u>\$ 15,219,423</u>	<u>\$ 538,547</u>	3.54%
Liabilities:				
Current Liabilities	\$ 1,367,949	\$ 1,453,411	\$ (85,462)	-5.88%
Long-Term Debt	66,977	310,926	(243,949)	-78.46%
Total Liabilities	<u>\$ 1,434,926</u>	<u>\$ 1,764,337</u>	<u>\$ (329,411)</u>	-18.67%
Net Position:				
Net Investment in Capital Assets	\$ 8,614,219	\$ 8,071,423	\$ 542,796	6.72%
Unrestricted Net Position	5,708,825	5,383,663	325,162	6.04%
Total Net Position	<u>\$ 14,323,044</u>	<u>\$ 13,455,086</u>	<u>\$ 867,958</u>	6.45%

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, 2016

The District's assets exceeded its liabilities at the close of the most recent fiscal year by \$14,323,044 (net position). The net position of the District's governmental activities increased by \$867,958 primarily as a result of increased property tax assessments during 2016.

The largest portion of the District's net position (60.14%) reflects its investment in capital assets (e.g., land, buildings, vehicles, equipment, etc.), less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Condensed Statement of Activities

	<u>2016</u>	<u>2015</u>	<u>\$ Change</u>	<u>% Change</u>
Revenues:				
Program Revenues	\$ 262,040	\$ -	\$ 262,040	-
General Revenues	6,267,104	6,226,987	40,117	0.64%
Total Revenues	<u>6,529,144</u>	<u>6,226,987</u>	<u>302,157</u>	<u>4.85%</u>
Expenses:				
Governmental Activities	5,661,186	6,302,293	(641,107)	-10.17%
Total Expenses	<u>5,661,186</u>	<u>6,302,293</u>	<u>(641,107)</u>	<u>-10.17%</u>
Change in Net Position	867,958	(75,306)	943,264	-1252.57%
Net Position:				
Beginning of the Year	13,455,086	13,530,392	(75,306)	-0.56%
End of the Year	<u>\$ 14,323,044</u>	<u>\$ 13,455,086</u>	<u>\$ 867,958</u>	<u>6.45%</u>

While the Statement of Net Position shows the change in financial position of net position, the Statement of Activities provides answers to the nature and scope of these changes. Total Revenues increased by \$302,157 as a result of increased property tax assessments. Total expenses decreased by \$641,107 primarily as a result of decreased capital asset purchases.

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 provide 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

Tangipahoa Parish Rural Fire Protection District No. 2
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Amite, Louisiana
Management's Discussion and Analysis
For the Year Ended December 31, 2016

is the general fund. The general fund is reconciled back to the fund balance displayed in the governmental activities in Exhibit F.

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

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

Budgetary Highlights

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

Total revenues for the General Fund exceeded budgeted revenues by \$276,861. Actual expenditures exceeded budgeted expenditures by \$12,207.

Capital Asset and Debt Administration

Capital Assets

The District's investment in capital assets for its governmental activities as of December 31, 2016, amounts to \$8,681,196 (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 new fire trucks (\$935,556). The remaining purchases were generally for small equipment. Additional information on the District's capital assets can be found in the footnotes of this report.

Long-Term Debt

At the end of the current fiscal year, the District had total outstanding debt of \$66,977. Of this amount, \$33,000 comprised certificates of indebtedness and \$33,977 was comprised of capital lease obligations. 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 2017, the District budgeted revenues and expenditures to remain fairly consistent with regards to 2016. Due to severe flooding in Tangipahoa Parish in 2016, future property tax assessments and collections are unknown; therefore, few changes from the current year were budgeted.

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, 2016

Requests for Information

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Dennis Crocker, Fire Administrator, 206 East Mulberry Street, Amite, Louisiana 70422.

Basic Financial Statements

Tangipahoa Parish Rural Fire Protection District No. 2
(A Component Unit of the Tangipahoa Parish Government)
Amite, Louisiana
Statement of Net Position
December 31, 2016

Exhibit A

	Primary Government Governmental Activities	Component Units
Assets		
Cash and Cash Equivalents	\$ 25,592	\$ 1,065,686
Investments	1,205,457	4,743,067
Ad Valorem Taxes Receivable, Net	5,307,162	-
State Revenue Sharing Receivable	467,310	-
Due from Other Governments	-	1,001,571
Other Receivables	10,032	1,355
Due from Volunteer Fire Departments	60,508	-
Prepaid Assets	713	69,102
Capital Assets Not Depreciated:		
Land	499,250	51,880
Capital Assets Being Depreciated, Net	8,181,946	881,650
Total Assets	15,757,970	7,814,311
Liabilities		
Accounts Payable	17,102	205,436
Payroll & Related Liabilities Payable	-	63,150
Ad Valorem Tax Deduction Payable	210,561	-
Due to Volunteer Fire Departments	1,140,286	-
Due to Other Governments	-	233,908
Noncurrent Liabilities:		
Due Within One Year	66,977	-
Total Liabilities	1,434,926	502,494
Net Position		
Net Investment in Capital Assets	8,614,219	933,530
Restricted for:		
Other Purposes	-	6,378,287
Unrestricted	5,708,825	-
Total Net Position	\$ 14,323,044	\$ 7,311,817

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)

Exhibit B

Amite, Louisiana

Statement of Activities

For the Year Ended December 31, 2016

Functions / Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary	Component
					Governmental Activities	Units Governmental Activities
Primary Government:						
Administration	\$ 247,033	\$ -	\$ -	\$ -	\$ (247,033)	\$ -
Pension Fund Mandate Deduction	210,561	-	-	-	(210,561)	-
Fire Contract Payments	3,696,788	-	-	-	(3,696,788)	-
2% Fire Insurance Rebate Payments	325,481	-	-	-	(325,481)	-
Municipal Fire Insurance Protection	262,040	262,040	-	-	-	-
Depreciation Expense	919,283	-	-	-	(919,283)	-
Total Primary Government	<u>\$ 5,661,186</u>	<u>\$ 262,040</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(5,399,146)</u>	<u>-</u>
Component Units:						
Fire Protection Services	\$ 4,693,815	\$ 238,460	\$ 120,892	\$ -	-	(4,334,463)
Total Component Units	<u>\$ 4,693,815</u>	<u>\$ 238,460</u>	<u>\$ 120,892</u>	<u>\$ -</u>	<u>-</u>	<u>(4,334,463)</u>
General Revenues:						
Ad Valorem Taxes					5,388,133	-
State Revenue Sharing					472,981	-
2% Fire Insurance Rebate					325,481	-
Fire Contract Revenue					-	4,062,536
State Supplemental Pay					6,000	193,342
Interest Income					24,352	38,698
Miscellaneous Revenue					-	516,800
Gain / (Loss) on Disposal of Asset					50,157	-
Total General Revenues					<u>6,267,104</u>	<u>4,811,376</u>
Change in Net Position					867,958	476,913
Net Position - Beginning of Year					<u>13,455,086</u>	<u>6,834,904</u>
Net Position - End of Year					<u>\$ 14,323,044</u>	<u>\$ 7,311,817</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
Governmental Fund Balance Sheet
December 31, 2016

Exhibit C

	<u>General Fund</u>
Assets	
Cash and Cash Equivalents	\$ 25,592
Investments	1,205,457
Ad Valorem Taxes Receivable, Net	5,307,162
State Revenue Sharing Receivable	467,310
Other Receivables	10,032
Due from Volunteer Fire Departments	60,508
Prepaid Assets	<u>713</u>
Total Assets	<u>\$ 7,076,774</u>
Liabilities and Fund Balance	
Liabilities:	
Accounts Payable	\$ 17,102
Ad Valorem Tax Deduction Payable	210,561
Due to Volunteer Fire Departments	<u>1,140,286</u>
Total Liabilities	<u>1,367,949</u>
Fund Balance:	
Unassigned	<u>5,708,825</u>
Total Fund Balance	<u>5,708,825</u>
Total Liabilities and Fund Balance	<u>\$ 7,076,774</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
Reconciliation of the Governmental Fund Balance Sheet to the
Government-Wide Statement of Net Position
December 31, 2016

Exhibit D

Total Governmental Fund Balance (Exhibit C) **\$ 5,708,825**

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. 8,681,196

Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental fund

 Due Within One Year (66,977)

 Due in More Than One Year -

Net Position of Governmental Activities (Exhibit A) **\$ 14,323,044**

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, 2016

	General Fund
Revenues:	
Ad Valorem Taxes	\$ 5,388,133
Intergovernmental Revenues:	
State Revenue Sharing	472,981
2% Fire Insurance Rebate	325,481
Interest Income	24,352
State Supplemental Pay	6,000
Municipal Fire Protection Revenue	262,040
Total Revenues	6,478,987
Expenditures:	
Public Safety - Fire Protection:	
Administration:	
Salaries & Related Benefits	116,210
Accounting & Audit	104,133
Data Processing	298
Fuel	1,229
Insurance	4,124
Office Supplies & Postage	2,447
Legal & Professional	1,241
Repairs & Maintenance	458
Supplies	1,196
Tangipahoa Fire District No. 1 Service	6,000
Telephone	4,170
Training	569
Utilities	686
Miscellaneous	4,272
Pension Fund Mandate Deduction	210,561
Fire Contract Payments	5,164,431
2% Fire Insurance Rebate Payments	325,481
Municipal Fire Insurance Protection	262,040
Capital Outlay	4,787
Total Expenditures	6,214,333
Excess of Revenues over Expenditures	264,654
Other Financing Sources:	
Sales of Capital Assets	60,508
Total Other Financing Sources	60,508
Net Change in Fund Balances	325,162
Fund Balance - Beginning of the Year	5,383,663
Fund Balance - End of the Year	\$ 5,708,825

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, 2016

Net Change in Fund Balance, Governmental Fund (Exhibit E)	\$	325,162
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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		1,228,481
Depreciation Expense		(919,283)
Loss on Disposal of Capital Assets		(10,351)

Capital leases provide current financial resources to governmental funds for the District, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of indebtedness principal is an expenditure in the governmental funds for the District, but the repayment reduces long-term liabilities in the Statement of Net Position. This amount is the net effect of these differences in the treatment of long-term debt and related items.

243,949

Change in Net Position of Governmental Activities (Exhibit B)	\$	<u>867,958</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)

Exhibit G

Amite, Louisiana

Combining Statement of Net Position – Discretely Presented Component Units
December 31, 2016

	Hammond Rural Fire Dept., Inc.	Husser Vol. Fire Dept., Inc.	Independence Vol. Fire Dept., Inc.	Loranger Vol. Fire Dept., Inc.	Manchac Vol. Fire Dept., Inc.	Ponchatoula Vol. Fire Dept., Inc.	Wilmer Vol. Fire Dept., Inc.	Eighth Ward Vol. Fire Dept., Inc.	Total
Assets									
Cash and Cash Equivalents	\$ 405,015	\$ 74,566	\$ 79,095	\$ 22,827	\$ 15,804	\$ 235,115	\$ 109,742	\$ 123,522	\$ 1,065,686
Investments	1,664,911	288,287	79,177	201,861	1,066,206	1,134,406	169,215	139,004	4,743,067
Due from Other Governments	270,695	84,592	94,743	84,592	54,139	243,626	84,592	84,592	1,001,571
Other Receivables	1,355	-	-	-	-	-	-	-	1,355
Prepaid Assets	4,072	6,400	5,865	3,420	8,207	21,535	6,640	12,963	69,102
Capital Assets, Net	-	-	94,057	-	-	25,470	27,170	786,833	933,530
Total Assets	\$ 2,346,048	\$ 453,845	\$ 352,937	\$ 312,700	\$ 1,144,356	\$ 1,660,152	\$ 397,359	\$ 1,146,914	\$ 7,814,311
Liabilities									
Accounts Payable	\$ 74,208	\$ 22,749	\$ 18,532	\$ 19,413	\$ 7,194	\$ 28,952	\$ 22,733	\$ 11,655	\$ 205,436
Payroll & Related									
Liabilities Payable	9,056	6,911	13,454	7,982	-	6,990	11,547	7,210	63,150
Due to Other Governments	65,096	20,343	69,539	-	-	58,587	20,343	-	233,908
Total Liabilities	\$ 148,360	\$ 50,003	\$ 101,525	\$ 27,395	\$ 7,194	\$ 94,529	\$ 54,623	\$ 18,865	\$ 502,494
Net Position									
Net Investment in Capital Assets	\$ -	\$ -	\$ 94,057	\$ -	\$ -	\$ 25,470	\$ 27,170	\$ 786,833	\$ 933,530
Restricted for:									
Other Purposes	2,197,688	403,842	157,355	285,305	1,137,162	1,540,153	315,566	341,216	6,378,287
Total Net Position	\$ 2,197,688	\$ 403,842	\$ 251,412	\$ 285,305	\$ 1,137,162	\$ 1,565,623	\$ 342,736	\$ 1,128,049	\$ 7,311,817

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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 H

Combining Statement of Activities – Discretely Presented Component Units
For the Year Ended December 31, 2016

	Hammond Rural Fire Dept., Inc.	Husser Vol. Fire Dept., Inc.	Independence Vol. Fire Dept., Inc.	Loranger Vol. Fire Dept., Inc.	Manchac Vol. Fire Dept., Inc.	Ponchatoula Vol. Fire Dept., Inc.	Wilmer Vol. Fire Dept., Inc.	Eighth Ward Vol. Fire Dept., Inc.	Total
Expenses:									
Salaries & Related Benefits	617,158	141,334	464,609	259,390	-	453,926	245,250	128,468	2,310,135
Depreciation	-	-	26,973	-	-	10,422	10,517	40,232	88,144
Fire Service Contract	250,000	-	-	-	-	-	-	-	250,000
Fuel	9,355	6,744	8,718	5,968	1,430	17,313	6,406	11,261	67,195
Insurance	27,443	31,619	20,446	23,448	7,586	65,860	17,990	29,299	223,691
Legal & Professional	1,600	3,481	5,165	3,950	1,452	4,685	5,235	19,700	45,268
Office Supplies & Postage	20,330	36,905	9,704	30,302	9,928	49,313	15,505	29,174	201,161
Repairs & Maintenance	24,793	25,990	25,021	21,578	10,691	150,442	68,718	38,836	366,069
Tangi Fire District No. 1	-	-	-	3,000	-	-	3,000	-	6,000
Telephone & Utilities	15,423	22,705	10,091	14,494	10,328	36,024	10,788	19,629	139,482
Training	2,997	16,354	-	2,270	-	2,983	5,460	2,401	32,465
Uniforms	9,771	13,312	4,242	13,241	-	1,230	5,192	225	47,213
Miscellaneous	6,007	18,671	21,491	7,258	1,238	35,872	7,734	15,074	113,345
2% Fire Rebate Payments	65,096	20,343	-	-	-	58,587	20,343	-	164,369
Debt Service Payments	-	-	33,891	28,557	5	-	37,645	34,936	135,034
Equipment	1,200	14,165	-	62,188	92,088	317,938	1,264	15,401	504,244
Total Expenses	1,051,173	351,623	630,351	475,644	134,746	1,204,595	461,047	384,636	4,693,815
Program Revenues:									
Charges for Services	-	-	238,460	-	-	-	-	-	238,460
Operating Grants	-	-	-	-	30,000	-	-	90,892	120,892
Net Program (Expenses) Revenues	(1,051,173)	(351,623)	(391,891)	(475,644)	(104,746)	(1,204,595)	(461,047)	(293,744)	238,460
General Revenues:									
Contract Payments:									
Ad Valorem Taxes	\$ 943,605	\$ 294,876	\$ 330,262	\$ 294,876	\$ 188,721	\$ 849,245	\$ 294,876	\$ 294,876	\$ 3,491,337
State Revenue Sharing	89,281	27,900	31,248	27,901	17,857	80,353	27,901	27,901	330,342
2% Fire Insurance Rebate	65,096	20,342	22,784	20,343	13,019	58,587	20,343	20,343	240,857
Interest Income	13,477	3,738	441	1,773	8,057	7,970	1,664	1,578	38,698
State Supplemental Pay	42,000	-	56,759	49,500	-	22,783	22,300	-	193,342
Miscellaneous Revenue	96,294	32,384	35,076	10,649	-	253,963	59,555	28,879	516,800
Total General Revenues	1,249,753	379,240	476,570	405,042	227,654	1,272,901	426,639	373,577	4,811,376
Change in Net Position	198,580	27,617	84,679	(70,602)	122,908	68,306	(34,408)	79,833	476,913
Net Position:									
Beginning of the Year	1,999,108	376,225	166,733	355,907	1,014,254	1,497,317	377,144	1,048,216	6,834,904
End of the Year	\$ 2,197,688	\$ 403,842	\$ 251,412	\$ 285,305	\$ 1,137,162	\$ 1,565,623	\$ 342,736	\$ 1,128,049	\$ 7,311,817

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, 2016

Narrative Profile

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

The financial statements of the District have been prepared in accordance with accounting principles generally accepted in the United States of America as applied to governmental units. The Government Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. These principles are found in the Codification of Governmental Accounting and Financial Reporting Standards. The accompanying financial statements have been prepared in accordance with such principles. The more significant of these accounting policies are described below and, where appropriate, subsequent pronouncements will be referenced.

1. Summary of Significant Accounting Policies

A. Financial Reporting Entity

As the governing authority of the parish, for reporting purposes, the Council is the financial reporting entity for Tangipahoa Parish. The financial reporting entity consists of (a) the primary government (the Council), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

GASB Statement No. 14, as amended by GASB Statement No. 61, established criteria for determining which component units should be considered part of the Council for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. These criteria include:

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the Council to impose its will on that organization and / or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the Council.
2. Organizations for which the Council does not appoint a voting majority but are fiscally dependent on the Council.
3. Organizations for which the reporting entity 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, 2016

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 Departments exist exclusively to provide a service to the District. Most of the Departments' revenue comes from appropriations from the District.

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

C. Fund Accounting

The District uses fund accounting to maintain its financial records and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain District functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts.

Governmental Funds

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

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

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

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

For the Year Ended December 31, 2016

exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets, and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Interest earnings and other revenues not properly included among program revenues are reported instead as general revenues.

The District does not allocate indirect expenses.

Basic Financial Statements – Governmental Funds

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

The amounts reflected in the General Fund use the modified accrual basis of accounting. Under this basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The District considers all revenues available if they are collected within 60 days after the fiscal year end. Expenditures are recorded when the related liability is incurred, except for interest and principal payments on long-term debt, which are recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. The governmental funds use the following practices in recording revenues and expenditures:

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

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

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

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Notes to Financial Statements (Continued)
For the Year Ended December 31, 2016

Discretely Presented Component Units

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

E. Budgets and Budgetary Accounting

The District adopted an operating budget for its General Fund for the fiscal year ended December 31, 2016. The budget for this fund is adopted on the modified accrual basis of accounting consistent with generally accepted accounting principles (GAAP). The District follows these procedures in establishing the budgetary data reflected in these financial statements:

1. The Fire Administrator prepares a proposed budget and submits the budget to the Board of Commissioners. The 2016 budget was introduced on July 25, 2016.
2. A summary of the proposed budget is published and the public notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
3. A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing. The public hearing for the 2016 budget was held on September 26, 2016.
4. Once a public hearing is held and all of the action necessary to finalize and implement the budget is completed, the budget is adopted through the passage of a resolution prior to the commencement of the fiscal year for which the budget is adopted. The 2016 budget was adopted on September 26, 2016.
5. Copies of the adopted budgets are kept on file for public inspection.
6. Budgetary amendments due to increases or decreases in revenues or expenditures over amounts estimated require a majority vote of the Board of Commissioners. The budget was not amended during 2016.
7. 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 before payment.

F. Deposits and Investments

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, interest bearing demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. Under state law, the District may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or time deposits with state banks organized under

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Louisiana law and national banks having their principal offices in Louisiana. In addition, the District may invest in United States bonds, treasury notes, or certificates. These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents.

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

GASB Statement No. 72, *Fair Value Measurement and Application*, was implemented in the year ended December 31, 2016. This statement establishes new requirements on how fair value should be measured, which assets and liabilities should be measured at fair value, and what information about fair value should be disclosed in the notes to the financial statements. Excluded from this standard are 2a7-like external investment pools.

G. Receivables and Payables

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

Property Taxes

Ad valorem taxes are levied in October and billed to the taxpayers in November. Billed taxes become delinquent as of January 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 2016, two separate 10.00 mill taxes (total of 20.00 mills) were levied on property within the District's boundaries. One of the 10.00 mill tax levy expires in 2023 and the other expires in 2025. Total taxes levied were \$5,471,301. At December 31, 2016, the ad valorem tax receivable was \$5,307,162. Ad valorem taxes receivable at December 31, 2016, are recorded net of a 3.0% allowance for uncollectible taxes of \$164,139.

State Revenue Sharing

For the year 2016, the District received \$467,310 in Louisiana State Revenue Sharing. At December 31, 2016, state revenue sharing receivable totaled \$467,310. The District considers this receivable fully collectible and, therefore, has not recorded an allowance for uncollectible state revenue sharing.

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.

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Notes to Financial Statements (Continued)
For the Year Ended December 31, 2016

I. Capital Assets

Capital outlays are recorded as expenditures of the governmental funds and as assets in the government-wide financial statements. Capital assets are valued at historical cost or estimated historical cost if actual cost was not available. Donated capital assets are recorded at their acquisition value (entry price) at the date of donation as required by GASB 72. At December 31, 2016, the District maintains a threshold level of \$1,000 or more for capitalizing capital assets.

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

J. Compensated Absences

The District has the following policy relating to vacation and sick leave:

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

K. Long-Term Obligations

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

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

L. Net Position

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

1. Net Investment in Capital Assets – consists of the historical cost of capital assets, including any restricted capital assets, net of accumulated depreciation, and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

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2. Restricted – this component of net position consists of assets that have constraints that are externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or constraints imposed by law through constitutional provisions or enabling legislation.
3. Unrestricted – all other net position is reported in this category.

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

M. Fund Balance

Governmental fund equity is classified as fund balance. Beginning with the fiscal year ending December 31, 2011, the District implemented GASB 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. The Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. 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 intended to be used by the District for specific purposes but do not meet the criteria to be classified as restricted or committed.
5. Unassigned Fund Balance – all amounts not included in other spendable categories.

As of December 31, 2016, the District did not have any nonspendable, restricted, committed, or assigned fund balances.

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.

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Notes to Financial Statements (Continued)
For the Year Ended December 31, 2016

N. Estimates

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

2. Stewardship, Compliance and Accountability

A. Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the general fund. All annual appropriations lapse at year-end. See Note 1-D regarding operating budgets. The District did not comply with the Louisiana Local Government Budget Act in adopting its budget for the year ended December 31, 2016. The budget for the year ended December 31, 2016, was not adopted until after the beginning of the current fiscal year.

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 3 regarding cash and cash equivalents, the District complied with the deposits and investments laws and regulations.

C. Deficit Fund Equity

As of December 31, 2016, the District's general fund did not have a deficit fund equity.

3. Cash, Cash Equivalents, and Investments

A. Primary Government

As reflected on Exhibit A, the District has cash and cash equivalents totaling \$25,592 and investments totaling \$1,205,457 at December 31, 2016. These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These 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.

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Notes to Financial Statements (Continued)
For the Year Ended December 31, 2016

The following is a summary of cash and investments at December 31, 2016, with the related federal deposit insurance and pledge securities:

Bank Balances:	
Insured (FDIC Insurance)	\$ 241,191
Uninsured and Collateralized:	
Collateral held by pledging bank's trust department not in the District's name	-
Uninsured and Uncollateralized	-
Total Deposits	<u>\$ 241,191</u>

Even though the pledged securities are not held in the entity's name, LRS 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within ten days of being notified by the District that the fiscal agent has failed to pay deposited funds upon demand. Per GASB Statement 3, as amended by GASB 40, the District's deposits are exposed to custodial credit risk since the collateral pledged by the fiscal agent is not held in the District's name. Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a deposit policy for custodial risk. As of December 31, 2016, the District was in compliance with state law which requires any uninsured cash balances with the fiscal agent bank to be adequately collateralized by a pledge of securities.

At December 31, 2016, the District's investment balances are as follows:

	<u>Reported Amount</u>	<u>Fair Value</u>
Louisiana Asset Management Pool:		
Tax Fund	\$ 1,122,928	\$ 1,122,928
Administration Fund	<u>82,529</u>	<u>82,529</u>
Total	<u>\$ 1,205,457</u>	<u>\$ 1,205,457</u>

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

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

LAMP is a 2a7-like investment pool. The following facts are relevant for 2a7 like investment pools:

- Credit Risk: LAMP is rated AAA by Standard & Poor's.

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Notes to Financial Statements (Continued)

For the Year Ended December 31, 2016

- 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 disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 60 days, and consists of no securities with a maturity in excess of 397 days. The WAM for LAMP's total investments was 48 days as of September 27, 2016.
- Foreign Currency Risk: Not applicable to 2a7-like pools.

The investments in LAMP are stated at fair value based on quoted market rates. 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 \$1,065,686 and investments totaling \$4,743,067 at December 31, 2016.

At December 31, 2016, the discretely presented component units' investment balances are as follows:

	Reported Amount	Fair Value
Louisiana Asset Management Pool:		
Fire Department Fund	\$ 4,268,674	\$ 4,268,674
Certificates of Deposit:		
Hammond Rural Fire Department, Inc.	359,234	359,234
Husser Volunteer Fire Department, Inc.	115,159	115,159
Total	\$ 4,743,067	\$ 4,743,067

At December 31, 2016, the discretely presented component units had \$968,004 in deposits (collected bank balances) in their separate accounts. These deposits are secured from risk by \$926,771 in federal deposit insurance.

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For the Year Ended December 31, 2016

4. Receivables

A. Primary Government

Receivables represent revenues earned in 2016 and received in 2017 as follows:

Property Tax Receivable	\$ 5,307,162
State Revenue Sharing Receivable	467,310
Other Receivable	<u>10,032</u>
Receivables at December 31, 2016, Net	<u>\$ 5,784,504</u>

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

B. Discretely Presented Component Units

The following is a summary of receivables at December 31, 2016, for component units:

Due from Rural Fire Protection District No. 2	\$ 1,001,571
Other Receivables	<u>1,355</u>
Receivables at December 31, 2016, Net	<u>\$ 1,002,926</u>

Tangipahoa Parish Rural Fire Protection District No. 2
(A Component Unit of the Tangipahoa Parish Government)
Amite, Louisiana
Notes to Financial Statements (Continued)
For the Year Ended December 31, 2016

5. Capital Assets

A. Primary Government

Capital assets and depreciation activity as of and for the year ended December 31, 2016, are as follows:

	Beginning Balance <u>12/31/15</u>	<u>Additions</u>	<u>Deletions</u>	Ending Balance <u>12/31/16</u>
Capital Assets Not Depreciated:				
Land	\$ 499,250	\$ -	\$ -	\$ 499,250
Total Capital Assets Not Depreciated	499,250	-	-	499,250
Other Capital Assets:				
Buildings	4,634,257	-	-	4,634,257
Equipment / Vehicle	<u>11,515,500</u>	<u>1,228,481</u>	<u>190,242</u>	<u>12,553,739</u>
Total Other Capital Assets	16,149,757	1,228,481	190,242	17,187,996
Less Accumulated Depreciation:				
Buildings	(879,852)	(120,925)	-	(1,000,777)
Equipment / Vehicle	<u>(7,386,806)</u>	<u>(798,358)</u>	<u>(179,891)</u>	<u>(8,005,273)</u>
Total Accumulated Depreciation	<u>(8,266,658)</u>	<u>(919,283)</u>	<u>(179,891)</u>	<u>(9,006,050)</u>
Total Other Capital Assets, Net	<u>7,883,099</u>	<u>309,198</u>	<u>10,351</u>	<u>8,181,946</u>
Total	<u>\$ 8,382,349</u>	<u>\$ 309,198</u>	<u>\$ 10,351</u>	<u>\$ 8,681,196</u>

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

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

Tangipahoa Parish Rural Fire Protection District No. 2
(A Component Unit of the Tangipahoa Parish Government)
Amite, Louisiana
Notes to Financial Statements (Continued)
For the Year Ended December 31, 2016

B. Discretely Presented Component Units

Capital assets and depreciation activity for discretely presented component units as of and for the year ended December 31, 2016, are as follows:

	Beginning Balance <u>12/31/15</u>	Additions	Deletions	Ending Balance <u>12/31/16</u>
Ponchatoula Volunteer Fire Department:				
Equipment	\$ 48,969	\$ 4,710	\$ -	\$ 53,679
Less: Accumulated Depreciation	<u>(17,788)</u>	<u>(10,422)</u>	<u>-</u>	<u>(28,210)</u>
Total	<u>\$ 31,181</u>	<u>\$ (5,712)</u>	<u>\$ -</u>	<u>\$ 25,469</u>
Independence Volunteer Fire Department:				
Equipment	\$ 188,387	\$ -	\$ -	\$ 188,387
Vehicles	-	16,798	-	16,798
Less: Accumulated Depreciation	<u>(84,155)</u>	<u>(26,973)</u>	<u>-</u>	<u>(111,128)</u>
Total	<u>\$ 104,232</u>	<u>\$ (10,175)</u>	<u>\$ -</u>	<u>\$ 94,057</u>
Wilmer Volunteer Fire Department:				
Equipment	\$ 157,758	\$ -	\$ -	\$ 157,758
Less: Accumulated Depreciation	<u>(120,071)</u>	<u>(10,517)</u>	<u>-</u>	<u>(130,588)</u>
Total	<u>\$ 37,687</u>	<u>\$ (10,517)</u>	<u>\$ -</u>	<u>\$ 27,170</u>
Eighth Ward Volunteer Fire Department:				
Land	\$ 51,880	\$ -	\$ -	\$ 51,880
Buildings	672,231	-	-	672,231
Equipment	<u>383,857</u>	<u>-</u>	<u>-</u>	<u>383,857</u>
Total	1,107,968	-	-	1,107,968
Less: Accumulated Depreciation	<u>(280,902)</u>	<u>(40,232)</u>	<u>-</u>	<u>(321,134)</u>
Total	<u>\$ 827,066</u>	<u>\$ (40,232)</u>	<u>\$ -</u>	<u>\$ 786,834</u>
Total Component Units Capital Assets	\$ 1,503,082	\$ 21,508	\$ -	\$ 1,524,590
Less: Total Accumulated Depreciation	<u>(502,916)</u>	<u>(88,144)</u>	<u>-</u>	<u>(591,060)</u>
Total Component Units Capital Assets, Net	<u>\$ 1,000,166</u>	<u>\$ (66,636)</u>	<u>\$ -</u>	<u>\$ 933,530</u>

Tangipahoa Parish Rural Fire Protection District No. 2
(A Component Unit of the Tangipahoa Parish Government)
Amite, Louisiana
Notes to Financial Statements (Continued)
For the Year Ended December 31, 2016

6. Long-Term Debt

The following is a summary of debt transactions of the District for the year ended December 31, 2016:

Type of Debt	Balance 01/01/16	Debt Issued	Debt Retired	Balance 12/31/16	Due Within One Year
Capital Lease Obligation	\$ 67,041	\$ -	\$ 33,064	\$ 33,977	\$ 33,977
Certificates of Indebtedness	243,885	-	210,885	33,000	33,000
Total	<u>\$ 310,926</u>	<u>\$ -</u>	<u>\$ 243,949</u>	<u>\$ 66,977</u>	<u>\$ 66,977</u>

Certificates of Indebtedness, all in the name of the District, are comprised of the following individual issues at December 31, 2016:

	Original Issue	Issue Date	Interest Rate	Final Payment Due	Balance 12/31/16
Series 2007B (Independence)	\$ 250,000	11/20/07	3.86%	03/01/17	<u>\$ 33,000</u>
Total Certificates of Indebtedness					<u>\$ 33,000</u>

The annual debt service requirements, including principal and interest, are as follows:

Year	Principal	Interest	Total
2017	<u>\$ 33,000</u>	<u>\$ 637</u>	<u>\$ 33,637</u>
	<u>\$ 33,000</u>	<u>\$ 637</u>	<u>\$ 33,637</u>

On January 19, 2013, the District entered into a capital lease agreement at an interest rate of 3.407% with Government Capital Corporation for the purchase of a fire truck for the use of Eighth Ward Volunteer Fire Department, Inc. The lease obligation is effective during the period January 19, 2013 through November 1, 2017. On February 5, 2013, this lease was assigned by Governmental Capital Corporation to Community Bank of Louisiana at a premium of \$3,610 and at an interest rate of 2.80%. Annual payments of interest and principal began on November 1, 2013. Total payments for the truck are \$174,671 (principal of \$162,054 and interest of \$12,617).

The following is an amortization schedule for this lease:

Year	Principal	Interest	Total
2017	<u>\$ 33,977</u>	<u>\$ 1,158</u>	<u>\$ 35,135</u>
	<u>\$ 33,977</u>	<u>\$ 1,158</u>	<u>\$ 35,135</u>

Tangipahoa Parish Rural Fire Protection District No. 2
(A Component Unit of the Tangipahoa Parish Government)
Amite, Louisiana
Notes to Financial Statements (Continued)
For the Year Ended December 31, 2016

7. On-Behalf Payments

The District follows GASB Statement No. 24, “*Accounting and Financial Reporting for Certain Grants and Other Financial Assistance.*” This standard requires the District to report in the financial statements on-behalf salary and fringe benefit payments made by the State of Louisiana to the District’s employees. The District is not legally responsible for these salary supplements. Therefore, the basis for recognizing the revenue and expenditure payments is the actual contributions made by the State. For the fiscal year ended District 31, 2016, the State paid \$6,000 in supplemental salary payments to the Fire Administrator of the District.

For the fiscal year ended December 31, 2016, the State paid supplemental salaries to the component unit’s employees in the amount of \$193,342.

8. 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.

9. Compensation Paid to Board Members

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

Trent Forrest, Board Member	\$	-
James Bailey, Board Member		-
Louis "Nick" Joseph, Board Member		-
Carlo S. Bruno, Board Member		-
H.G. "Buddy" Ridgel, Board Member		-
Emile "Joey" Mayeaux, Board Member		-
Lionell Wells, Board Member		-
David Vial, Board Member		-
Harry Lavine, Board Member		-
Bobby Cortez, Board Member		-
Total	<u>\$</u>	<u>-</u>

Tangipahoa Parish Rural Fire Protection District No. 2
(A Component Unit of the Tangipahoa Parish Government)
Amite, Louisiana
Notes to Financial Statements (Concluded)
For the Year Ended December 31, 2016

10. 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, 2016, the District's bank balances of \$241,191 were not exposed to custodial credit risk.

11. Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, June 28, 2017, and determined that no events occurred that require disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

**Required Supplemental Information –
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, 2016

	Original Budget	Final Budget	Actual Amounts - Budgetary Basis	Variance with Final Budget Favorable / (Unfavorable)
Revenues:				
Ad Valorem Taxes	\$ 5,200,000	\$ 5,200,000	\$ 5,388,133	\$ 188,133
Intergovernmental Revenues:				
State Revenue Sharing	340,000	340,000	472,981	132,981
2% Fire Insurance Rebate	364,766	364,766	325,481	(39,285)
Interest Income	33,000	33,000	24,352	(8,648)
State Supplemental Pay	-	-	6,000	6,000
Municipal Fire Protection Revenue	264,360	264,360	262,040	(2,320)
Total Revenues	6,202,126	6,202,126	6,478,987	276,861
Expenditures:				
Public Safety - Fire Protection:				
Administration:				
Salaries & Related Benefits	103,801	103,801	116,210	(12,409)
Accounting & Audit	85,000	85,000	104,133	(19,133)
Data Processing	-	-	298	(298)
Fuel	3,000	3,000	1,229	1,771
Insurance	5,500	5,500	4,124	1,376
Office Supplies & Postage	1,500	1,500	2,447	(947)
Legal & Professional	33,000	33,000	1,241	31,759
Repairs & Maintenance	2,000	2,000	458	1,542
Roseland Fire Services	4,800	4,800	-	4,800
Supplies	5,000	5,000	1,196	3,804
Tangi Fire District No. 1 Service	6,000	6,000	6,000	-
Telephone	2,000	2,000	4,170	(2,170)
Training	1,500	1,500	569	931
Utilities	-	-	686	(686)
Miscellaneous	7,500	7,500	4,272	3,228
Pension Fund Mandate Deduction	205,000	205,000	210,561	(5,561)
Fire Contract Payments	5,107,399	5,107,399	5,164,431	(57,032)
2% Fire Insurance Rebate Payments	364,766	364,766	325,481	39,285
Municipal Fire Insurance Protection	264,360	264,360	262,040	2,320
Capital Outlay	-	-	4,787	(4,787)
Total Expenditures	6,202,126	6,202,126	6,214,333	(12,207)
Excess of Revenues over Expenditures	-	-	264,654	264,654
Other Financing Sources:				
Sales of Capital Assets	-	-	60,508	60,508
Total Other Financing Sources	-	-	60,508	60,508
Net Change in Fund Balance	-	-	325,162	325,162
Fund Balance - Beginning of the Year	5,383,664	5,383,664	5,383,663	(1)
Fund Balance - End of the Year	\$ 5,383,664	\$ 5,383,664	\$ 5,708,825	\$ 325,161

See auditor's report.

Other Supplemental Information:

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

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

Schedule 2

Schedule of Compensation, Benefits and Other Payments to Agency Head
For the Year Ended December 31, 2016

Agency Head: Dennis Crocker, Fire Administrator

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 56,844
Salary - Supplemental Pay	6,000
Benefits - Insurance	13,966
Benefits - Retirement	7,390
Benefits - Medicare	920
Benefits - Worker's Compensation Insurance	240
Deferred Compensation	-
Car Allowance	-
Vehicle Provided by Government (Taxed on W-2)	732
Vehicle Rental	-
Cell Phone	3,233
Dues	-
Per Diem	-
Reimbursements	-
Travel	357
Registration Fees	-
Conference Travel	569
Housing	-
Unvouchered Expenses	-
Special Meals	-
Other	-
	<u>\$ 90,251</u>

See auditor's report.

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



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

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

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the general fund information of the Tangipahoa Parish Rural Fire Protection District No. 2 (District), Louisiana, as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued my report thereon dated June 28, 2017.

Internal Control Over Financial Reporting

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

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

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

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. I consider finding 16-02, described in the accompany schedule of current year audit findings to be a significant weakness.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed two instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of current year audit findings as findings 16-01 and 16-03.

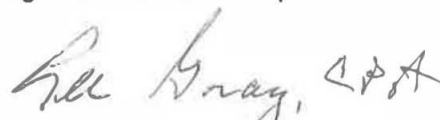
The District's Responses to Findings

The District's response to the finding identified in my audit is described in the accompanying Management's Corrective Action Plan. The District's responses were not subjected to the auditing procedures applied in the audit of the of the financial statements and, accordingly, I express no opinion on it.

Purpose of This Report

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

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


Certified Public Accountant

June 28, 2017

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
Ended December 31, 2016

SECTION 1. INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS	
CU 15-01 Tangipahoa Parish Rural Fire Protection District No. 2 - Local Government Budget Act Violations	Unsolved: See current years finding 16-01.
CU 15-02 Tangipahoa Parish Rural Fire Protection District No. 2 - Internal Control over Capital Assets	Unsolved: See current years finding 16-02.
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
Year Ended December 31, 2016

SECTION I - SUMMARY OF AUDITOR'S RESULTS

I have audited the financial statements of Tangipahoa Parish Rural Fire Protection District No. 2 (District) as of and for the year ended December 31, 2016, and have issued my report thereon dated June 28, 2017. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and Uniform Guidance, *Audits of States, Local Governments, and Non-Profit Organizations*. My audit of the financial statements as of December 31, 2016, resulted in:

- An unqualified opinion on 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

SECTION II - FINANCIAL STATEMENT FINDINGS

This section identifies the significant deficiencies, and instances of noncompliance related to the financial statements required to be reported under *Government Auditing Standards (GAGAS)*.

16-01 Local Government Budget Act Violations (repeat from Prior Year)

Louisiana RS 39:1309 states "All action necessary to adopt and otherwise finalize and implement the budget for a fiscal year shall be taken in open meeting and completed before the end of the prior fiscal year.

The annual operating budget for the fiscal year ending December 31, 2016, was not adopted until September 26, 2016.

It is recommended that the Fire Administrator take all necessary steps to comply with the Local Government Budget Act.

16-02 Internal Controls over Capital Assets (repeat from Prior Year)

Louisiana RS 24:515 requires the head of every auditee to maintain records of all capital asset purchases. In order to meet this law, the District purchased inventory tags that are to be assigned to all capital assets with a purchase price of \$1,000 or more.

During the prior year audit, some purchases had not been tagged. Upon examination of this year's annual inventory sheets, those purchases were still untagged. Additionally, current year purchases were not properly tagged. Upon inquiry, the tags are only issued after a fire chief calls and requests one.

In the prior year, it was discovered that a master list of all real estate owned by the District was not available and that the District was relying on the insurance carrier for that list.

The master list could not be located for my audit this year.

The Act of Donation between the District and St. Helena Sixth Ward Volunteer Fire Department for the 2015 donation of a 1985 Ford Pumper still has not been done.

It is recommended that the District revamp the current policy regarding the issuing of inventory tags. The inventory tag should be issued when the invoice has been paid and verification that the asset has been received.

Since the secretary maintains the deeds for the real property, she should be assigned the task of compiling a single page document showing all the locations of real estate owned. The Fire Administrator should use this document to verify that all real estate is insured during the annual renewal process.

The Fire Administrator needs to get with the secretary and have the Act of Donation prepared.

16-03 Compliance with RS 38:2212, Bid Law

Louisiana RS 38:2212 requires that the purchase of individual items or reoccurring over \$30,000 are subject bid law.

A local government may also purchase items off the State contract and not be subject to the above "Bid Law". Items purchased off State contract must be for that item with the allowed State approved options.

The following issues were noted during the audit.

Tangipahoa Parish Rural Fire Protection District No.2
Schedule of Current Year Audit Findings-concluded

- 1) Proper bid files are not being maintained. For items purchased off State contract, the file should contain the actual contract award notice that includes the contract number and line number; along with all documentation for approved standard options.

Of the items selected for audit testing, the file was either incomplete or did not exist. The only items available were the invoice and purchase order.

- 2) Two vehicles purchased off State contract had added options that were not approved by State purchasing. If the District wanted these options, then the vehicles should have been let out for public bid.

The Fire Administrator is relying on the car dealership to know whether options are State approved or not.

It is recommended that all purchases subject to bid law including those items purchased off State contract have files created and maintained that contain all the required documents. It is recommended that the Fire Administrator determine for himself what the State contract price is with the standard options.

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

MANAGEMENT'S CORRECTIVE ACTION PLAN

For Current Year Audit Findings for the Year Ended December 31, 2016

SECTION 1. INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS	
Finding Reference No.	Management's Corrective Action Plan
16-01 Local Government Budget Act Violations	Management Concurs with Auditor's Recommendation
16-02 Internal Controls over Capital Assets	Management Concurs with Auditor's Recommendation
16-03 Compliance with RS 38:2212 Bid Law	Management Concurs with Auditor's Recommendation

Date Submitted: 6/28/17


Fire Board President