

**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, 2021

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 Audit of Financial Statements

Opinions

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, 2021, 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 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, 2021, 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.

Basis for Opinions

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

Responsibilities of Management 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 and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from 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.

Tangipahoa Parish Rural Fire Protection District No. 2
June 28, 2022

Auditor's Responsibilities for the Audit of the Financial Statements

My 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 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*, I:

- Exercise professional judgement 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 my 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

I am 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 I identify during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison schedules on page 41 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. 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.

Tangipahoa Parish Rural Fire Protection District No. 2
June 28, 2022

Supplementary 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 accompanying Schedule of Compensation, Benefits, and Other Payments to Agency Head and the Schedule of Compensation Paid to Board Members are presents for the purpose 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 my opinion the Schedule of Compensation, Benefits, and Other Payments to Agency Head and the Schedule of Compensation Paid to Board Members are fairly stated, in all material respects, in relation to the 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, 2022 on my consideration of the District'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 solely 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 the 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.


Certified Public Accountant

June 28, 2022

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, 2021

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, 2021. This Management Discussion and Analysis is designed to provide an objective and easy to read analysis of the District's financial activities based on currently known facts, decisions, or conditions. It is designed to be read in conjunction with the financial statements and to provide readers with a broad overview of District finances. It is also intended to provide readers with an analysis of the short and long-term activities of the District based on information presented in this financial report, as well as fiscal policies that have been adopted by the District. Specifically, this section is designed to assist the reader in focusing on significant financial issues, provide an overview of the District's financial activity, identify changes in the District's financial position, identify any material deviations from the financial plan (the approved budget), and identify individual fund issues or concerns.

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

Financial Highlights

- Total assets were \$16,615,773 and total deferred outflows of resources were \$350,760 as of December 31, 2021, and exceeded liabilities in the amount of \$14,794,892 (i.e., net position). Of the total net position, the unrestricted amount was a positive \$6,901,056 and the remaining value of \$7,893,836 was invested in capital assets.
- The District's total revenues for the year increased from the prior year by 5.17% from \$7,532,714 to \$7,922,245.
- Expenses for the year increased by \$798,380, or 11.38%, from the prior year from \$7,014,818 to \$7,813,198.
- Total governmental net position increased by \$109,047 over the prior fiscal year.

Overview of the Financial Statements

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

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

Government-Wide Financial Statements

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

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

Amite, Louisiana

Management's Discussion and Analysis (Continued)

For the Year Ended December 31, 2021

- 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 Departments 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.

Condensed Statement of Net Position

| | 2021 | 2020 | \$ Change | % Change |
|----------------------------------|---------------|---------------|--------------|----------|
| Assets: | | | | |
| Current and Other Assets | \$ 8,340,460 | \$ 8,214,637 | \$ 125,823 | 1.53% |
| Land | 499,250 | 499,250 | - | 0.00% |
| Capital Assets, Net | 7,776,063 | 8,509,171 | (733,108) | -8.62% |
| Total Assets | \$ 16,615,773 | \$ 17,223,058 | \$ (607,285) | -3.53% |
| Deferred Outflows of Resources | \$ 350,760 | \$ - | \$ 350,760 | - |
| Liabilities: | | | | |
| Current Liabilities | \$ 1,933,793 | \$ 2,064,966 | \$ (131,173) | -6.35% |
| Long-Term Debt | 237,848 | 472,247 | (234,399) | -49.63% |
| Total Liabilities | \$ 2,171,641 | \$ 2,537,213 | \$ (365,572) | -14.41% |
| Net Position: | | | | |
| Net Investment in Capital Assets | \$ 7,893,836 | \$ 8,392,660 | \$ (498,824) | -5.94% |
| Unrestricted Net Position | 6,901,056 | 6,293,185 | 607,871 | 9.66% |
| Total Net Position | \$ 14,794,892 | \$ 14,685,845 | \$ 109,047 | 0.74% |

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, 2021

The District's assets exceeded its liabilities at the close of the most recent fiscal year by \$14,794,892 (net position). The net position of the District's governmental activities increased by \$109,047 over the prior year.

The largest portion of the District's net position (53.36%) 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

| | 2021 | 2020 | \$ Change | % Change |
|----------------------------|----------------------|----------------------|-------------------|----------|
| Revenues: | | | | |
| Program Revenues | \$ 295,398 | \$ 505,168 | \$ (209,770) | -41.52% |
| General Revenues | <u>7,626,847</u> | <u>7,027,546</u> | <u>599,301</u> | 8.53% |
| Total Revenues | 7,922,245 | 7,532,714 | 389,531 | 5.17% |
| Expenses: | | | | |
| Governmental Activities | <u>7,813,198</u> | <u>7,014,818</u> | <u>798,380</u> | 11.38% |
| Total Expenses | <u>7,813,198</u> | <u>7,014,818</u> | <u>798,380</u> | 11.38% |
| Change in Net Position | 109,047 | 517,896 | (408,849) | -78.94% |
| Net Position: | | | | |
| Beginning of the Year | 14,685,845 | 14,103,381 | 582,464 | 4.13% |
| Prior Period Adjustment | - | <u>64,568</u> | <u>(64,568)</u> | -100.00% |
| Beginning - Restated | <u>14,685,845</u> | <u>14,167,949</u> | <u>517,896</u> | 3.66% |
| Net Position - End of Year | <u>\$ 14,794,892</u> | <u>\$ 14,685,845</u> | <u>\$ 109,047</u> | 0.74% |

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 \$389,531, primarily due to an increase in property tax revenues over the prior year and due to insurance proceeds for damaged assets as a result of Hurricane Ida in August 2021. Total expenses increased by \$798,380 from the prior year. Expenses for governmental activities increased due to an increased amount of paid to the Volunteer Fire Department component units as compared to the prior year.

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

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

Management's Discussion and Analysis (Continued)

For the Year Ended December 31, 2021

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

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

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

Budgetary Highlights

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

Total revenues for the General Fund exceeded budgeted revenues by \$579,296. Budgeted expenditures exceeded actual expenditures by \$51,910.

Capital Asset and Debt Administration

Capital Assets

The District's investment in capital assets for its governmental activities as of December 31, 2021, amounts to \$8,275,313 (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 \$381,477. 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 2022, the District budgeted revenues and expenditures to remain consistent with regards to 2021. Property tax collections have returned to normal following severe flooding that took place in Tangipahoa Parish in 2016, and future property tax assessments are anticipated to see steady growth over time.

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

Amite, Louisiana

Management's Discussion and Analysis (Continued)

For the Year Ended December 31, 2021

Requests for Information

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

Basic Financial Statements

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

Exhibit A

Amite, Louisiana
Statement of Net Position
December 31, 2021

| | Primary Government | Component Units |
|---|----------------------------|--------------------|
| | Governmental Activities | Units |
| Assets | | |
| Cash and Cash Equivalents | \$ 1,544,762 | \$ 6,444,332 |
| Investments | 1,058 | 318,104 |
| Ad Valorem Taxes Receivable, Net | 6,302,334 | - |
| State Revenue Sharing Receivable | 488,219 | - |
| Other Receivables | 2,811 | - |
| Due from Other Governments | - | 1,356,042 |
| Note Receivable - Due from Independence VFD | - | 66,731 |
| Note Receivable - Due from Loranger VFD | - | 149,065 |
| Prepaid Assets | 1,276 | 95,426 |
| Capital Assets Not Depreciated: | | |
| Land | 499,250 | 114,442 |
| Construction in Progress | - | 78,952 |
| Capital Assets Being Depreciated, Net | 7,776,063 | 1,394,841 |
| Total Assets | 16,615,773 | 10,017,935 |
| Deferred Outflows of Resources | | |
| Prepayment on Fire Truck | \$ 350,760 | \$ - |
| Total Deferred Outflows of Resources | \$ 350,760 | \$ - |
| Liabilities | | |
| Accounts Payable | 26,177 | 290,197 |
| Payroll & Related Liabilities Payable | - | 119,242 |
| Ad Valorem Tax Deduction Payable | 249,093 | - |
| Due to Volunteer Fire Departments | 1,514,894 | - |
| Non-Current Liabilities: | | |
| Due Within One Year | 143,629 | 56,716 |
| Due in More Than One Year | 237,848 | 761,643 |
| Total Liabilities | 2,171,641 | 1,227,798 |
| Net Position | | |
| Net Investment in Capital Assets | 7,893,836 | 1,588,235 |
| Restricted for: | | |
| Other Purposes | - | 7,201,902 |
| Unrestricted | 6,901,056 | - |
| Total Net Position | \$ 14,794,892 | \$ 8,790,137 |

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 B

Statement of Activities
For the Year Ended December 31, 2021

| 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 | \$ 283,288 | \$ - | \$ - | \$ - | \$ (283,288) | \$ - |
| Pension Fund Mandate Deduction | 249,093 | - | - | - | (249,093) | - |
| Fire Contract Payments | 5,538,920 | - | - | - | (5,538,920) | - |
| 2% Fire Insurance Rebate Payments | 337,908 | - | - | - | (337,908) | - |
| Municipal Fire Insurance Protection | 295,398 | 295,398 | - | - | - | - |
| Contract Payments - Other | 197,381 | - | - | - | (197,381) | - |
| Debt Service Interest | 1,077 | - | - | - | (1,077) | - |
| Depreciation Expense | 910,133 | - | - | - | (910,133) | - |
| Total Primary Government | <u>\$ 7,813,198</u> | <u>\$ 295,398</u> | <u>\$ -</u> | <u>\$ -</u> | <u>(7,517,800)</u> | <u>-</u> |
| Component Units: | | | | | | |
| Fire Protection Services | \$ 6,380,888 | \$ 266,900 | \$ 229,407 | \$ 82,679 | - | (5,801,902) |
| Total Component Units | <u>\$ 6,380,888</u> | <u>\$ 266,900</u> | <u>\$ 229,407</u> | <u>\$ 82,679</u> | <u>-</u> | <u>(5,801,902)</u> |
| General Revenues: | | | | | | |
| Ad Valorem Taxes | | | | | 6,577,737 | - |
| State Revenue Sharing | | | | | 488,219 | - |
| 2% Fire Insurance Rebate | | | | | 337,908 | - |
| Fire Contract Revenue | | | | | - | 5,836,824 |
| State Supplemental Pay | | | | | 6,000 | 125,250 |
| Interest Income | | | | | 22,848 | 47,427 |
| Contract Payments - Other | | | | | - | 197,381 |
| Miscellaneous Revenue | | | | | - | 702,594 |
| Gain / (Loss) on Disposal of Assets | | | | | 194,135 | - |
| Total General Revenues | | | | | <u>7,626,847</u> | <u>6,909,476</u> |
| Change in Net Position | | | | | 109,047 | 1,107,574 |
| Net Position - Beginning of Year, Originally Stated | | | | | 14,685,845 | 7,638,901 |
| Prior Period Adjustment | | | | | - | 43,662 |
| Net Position - Beginning of Year, Restated | | | | | <u>14,685,845</u> | <u>7,682,563</u> |
| Net Position - End of Year | | | | | <u>\$ 14,794,892</u> | <u>\$ 8,790,137</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)

Exhibit C

Amite, Louisiana

Governmental Fund Balance Sheet
December 31, 2021

General
Fund

Assets

| | |
|----------------------------------|---------------------|
| Cash and Cash Equivalents | \$ 1,544,762 |
| Investments | 1,058 |
| Ad Valorem Taxes Receivable, Net | 6,302,334 |
| State Revenue Sharing Receivable | 488,219 |
| Other Receivables | 2,811 |
| Prepaid Assets | 1,276 |
| Total Assets | <u>\$ 8,340,460</u> |

Deferred Outflows of Resources

| | |
|--------------------------------------|-------------------|
| Prepayment on Fire Truck | \$ 350,760 |
| Total Deferred Outflows of Resources | <u>\$ 350,760</u> |

Liabilities and Fund Balance

Liabilities:

| | |
|-----------------------------------|------------------|
| Accounts Payable | \$ 26,177 |
| Ad Valorem Tax Deduction Payable | 249,093 |
| Due to Volunteer Fire Departments | 1,514,894 |
| Total Liabilities | <u>1,790,164</u> |

Fund Balance:

| | |
|------------------------------------|---------------------|
| Unassigned | 6,901,056 |
| Total Fund Balance | <u>6,901,056</u> |
| Total Liabilities and Fund Balance | <u>\$ 8,691,220</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, 2021

| | |
|---|----------------------|
| Total Governmental Fund Balance (Exhibit C) | \$ 6,901,056 |
| Amounts reported for governmental activities in the statement of net position are different because: | |
| Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental fund. | 8,275,313 |
| 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 | (143,629) |
| Non-Current (Long-Term) Obligations | <u>(237,848)</u> |
| Net Position of Governmental Activities (Exhibit A) | <u>\$ 14,794,892</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 E

Statement of Governmental Fund Revenues, Expenditures, and
Change in Fund Balance
For the Year Ended December 31, 2021

| | <u>General Fund</u> |
|--|-------------------------|
| Revenues: | |
| Ad Valorem Taxes | \$ 6,577,737 |
| Intergovernmental Revenues: | |
| State Revenue Sharing | 488,219 |
| 2% Fire Insurance Rebate | 337,908 |
| Interest Income | 22,848 |
| State Supplemental Pay | 6,000 |
| Insurance Proceeds | 197,381 |
| Municipal Fire Protection Revenue | <u>295,398</u> |
| Total Revenues | 7,925,491 |
| Expenditures: | |
| Public Safety - Fire Protection: | |
| Administration: | |
| Salaries & Related Benefits | 130,357 |
| Accounting & Audit | 95,959 |
| Data Processing | 1,146 |
| Fuel | 1,970 |
| Insurance | 10,999 |
| Office Supplies & Postage | 2,682 |
| Repairs & Maintenance | 11,899 |
| Supplies | 8,851 |
| Telephone | 8,581 |
| Training | 1,124 |
| Miscellaneous | 9,720 |
| Pension Fund Mandate Deduction | 249,093 |
| Fire Contract Payments | 5,922,115 |
| 2% Fire Insurance Rebate Payments | 337,908 |
| Municipal Fire Insurance Protection | 295,398 |
| Contract Payments - Other | 197,381 |
| Debt Service - Principal | 11,259 |
| Debt Service - Interest | 1,077 |
| Capital Outlay | <u>20,101</u> |
| Total Expenditures | 7,317,620 |
| Net Change in Fund Balance | 607,871 |
| Fund Balance, Beginning of the Year | <u>6,293,185</u> |
| Fund Balance - End of the Year | <u>\$ 6,901,056</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, 2021

| | |
|--|------------|
| Net Change in Fund Balance, Governmental Fund (Exhibit E) | \$ 607,871 |
|--|------------|

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 | 180,271 |
| Depreciation Expense | (910,133) |

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.

(3,246)

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

| | |
|------------------------------|----------------|
| Repayments of Long-Term Debt | <u>234,284</u> |
|------------------------------|----------------|

| | |
|--|-------------------|
| Change in Net Position of Governmental Activities (Exhibit B) | <u>\$ 109,047</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)

Exhibit G

Amite, Louisiana

Combining Statement of Net Position – Discretely Presented Component Units
 December 31, 2021

| | 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 | \$ 1,154,644 | \$ 178,599 | \$ 300,444 | \$ 146,338 | \$ 1,166,250 |
| Investments | 195,875 | 121,924 | 8 | 19 | 101 |
| Due from Other Governments | 294,311 | 98,104 | 109,423 | 107,537 | 25,435 |
| Due from Independence VFD | - | - | - | - | 66,731 |
| Due from Loranger VFD | - | - | - | - | - |
| Due from Ponchatoula VFD | 22,597 | - | - | - | - |
| Prepaid Assets | 4,531 | 8,321 | 6,088 | 6,914 | 10,917 |
| Capital Assets, Net | 48,012 | 14,000 | 82,915 | - | - |
| Total Assets | <u>\$ 1,719,970</u> | <u>\$ 420,948</u> | <u>\$ 498,878</u> | <u>\$ 260,808</u> | <u>\$ 1,269,434</u> |
| Liabilities | | | | | |
| Accounts Payable | \$ 95,349 | \$ 11,275 | \$ 10,789 | \$ 21,327 | \$ 7,791 |
| Payroll & Related | | | | | |
| Liabilities Payable | 27,183 | 19,894 | 18,522 | 2,894 | - |
| Due to Hammond VFD | - | - | - | - | - |
| Current Obligations | - | - | 18,174 | 27,946 | - |
| Non-Current Obligations | - | - | 73,557 | 121,118 | - |
| Total Liabilities | <u>\$ 122,532</u> | <u>\$ 31,169</u> | <u>\$ 121,042</u> | <u>\$ 173,285</u> | <u>\$ 7,791</u> |
| Net Position | | | | | |
| Net Investment in Capital Assets | \$ 48,012 | \$ 14,000 | \$ 82,915 | \$ - | \$ - |
| Restricted for: | | | | | |
| Other Purposes | 1,549,426 | 375,779 | 294,921 | 87,523 | 1,261,643 |
| Total Net Position | <u>\$ 1,597,438</u> | <u>\$ 389,779</u> | <u>\$ 377,836</u> | <u>\$ 87,523</u> | <u>\$ 1,261,643</u> |

(Continued on Next Page)

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

Exhibit G
(Concluded)

Amite, Louisiana

Combining Statement of Net Position – Discretely Presented Component Units
December 31, 2021

| | 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 | \$ 922,400 | \$ 2,017,156 | \$ 228,536 | \$ 329,965 | \$ 6,444,332 |
| Investments | 17 | 131 | 16 | 13 | 318,104 |
| Due from Other Governments | 232,600 | 264,125 | 107,537 | 116,970 | 1,356,042 |
| Due from Independence VFD | - | - | - | - | 66,731 |
| Due from Loranger VFD | - | 149,065 | - | - | 149,065 |
| Due from Ponchatoula VFD | - | - | - | - | 22,597 |
| Prepaid Assets | 18,304 | 17,462 | 7,288 | 15,601 | 95,426 |
| Capital Assets, Net | 671,596 | 67,940 | 13,500 | 690,272 | 1,588,235 |
| Total Assets | <u>\$ 1,844,917</u> | <u>\$ 2,515,879</u> | <u>\$ 356,877</u> | <u>\$ 1,152,821</u> | <u>\$ 10,040,532</u> |
| Liabilities | | | | | |
| Accounts Payable | \$ 60,821 | \$ 20,900 | \$ 43,199 | \$ 18,746 | \$ 290,197 |
| Payroll & Related | | | | | |
| Liabilities Payable | 12,430 | 15,760 | 12,390 | 10,169 | 119,242 |
| Due to Hammond VFD | - | 22,597 | - | - | 22,597 |
| Current Obligations | 10,596 | - | - | - | 56,716 |
| Non-Current Obligations | 566,968 | - | - | - | 761,643 |
| Total Liabilities | <u>\$ 650,815</u> | <u>\$ 59,257</u> | <u>\$ 55,589</u> | <u>\$ 28,915</u> | <u>\$ 1,250,395</u> |
| Net Position | | | | | |
| Net Investment in Capital Assets | \$ 671,596 | \$ 67,940 | \$ 13,500 | \$ 690,272 | \$ 1,588,235 |
| Restricted for: | | | | | |
| Other Purposes | 522,506 | 2,388,682 | 287,788 | 433,634 | 7,201,902 |
| Total Net Position | <u>\$ 1,194,102</u> | <u>\$ 2,456,622</u> | <u>\$ 301,288</u> | <u>\$ 1,123,906</u> | <u>\$ 8,790,137</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)

Exhibit H

Amite, Louisiana

Combining Statement of Activities – Discretely Presented Component Units
For the Year Ended December 31, 2021

| | 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 | \$ 805,538 | \$ 261,068 | \$ 500,626 | \$ 282,697 | \$ 32,460 |
| Depreciation | 5,261 | 609 | 7,228 | - | - |
| Fire Service Contract | 325,000 | - | - | 35,640 | - |
| Fuel | 15,486 | 10,805 | 14,573 | 9,900 | 3,464 |
| Insurance | 35,140 | 44,683 | 40,525 | 31,742 | 17,635 |
| Legal & Professional | 3,115 | 4,169 | 10,127 | 4,875 | 2,274 |
| Office Supplies & Postage | 4,171 | 1,983 | 5,321 | 3,091 | 122 |
| Station Supplies | 36,472 | 17,903 | 37,849 | 5,128 | 5,236 |
| Repairs & Maintenance | 153,523 | 34,932 | 63,555 | 44,999 | 26,409 |
| Telephone & Utilities | 20,929 | 24,831 | 14,014 | 17,855 | 10,480 |
| Training | 2,834 | 7,548 | 801 | - | - |
| Uniforms | 6,252 | 4,559 | 6,979 | 219 | - |
| Miscellaneous | 15,280 | 12,196 | 17,733 | 8,831 | 1,267 |
| 2% Fire Rebate Payments | - | - | - | - | - |
| Debt Service Payments | 11,651 | 5,096 | 142,731 | 9,825 | - |
| Equipment | 8,594 | 7,592 | 12,879 | - | 1,050 |
| Total Expenses | <u>1,449,246</u> | <u>437,974</u> | <u>874,941</u> | <u>454,802</u> | <u>100,397</u> |
| Program Revenues: | | | | | |
| Charges for Services | - | - | 258,500 | - | - |
| Operating Grants | - | - | 126,619 | - | - |
| Capital Grants | - | 13,596 | 69,083 | - | - |
| Total Program Revenues | <u>-</u> | <u>13,596</u> | <u>454,202</u> | <u>-</u> | <u>-</u> |
| Net Program (Expenses) Revenues | (1,449,246) | (424,378) | (420,739) | (454,802) | (100,397) |
| General Revenues: | | | | | |
| Ad Valorem Taxes | 1,111,979 | 370,660 | 413,428 | 406,300 | 85,537 |
| State Revenue Sharing | 93,839 | 31,280 | 34,889 | 34,287 | 7,218 |
| 2% Fire Insurance Rebate | 65,892 | 21,964 | 24,498 | 24,076 | 5,069 |
| Interest Income | 10,321 | 2,385 | 1,922 | 275 | 9,866 |
| State Supplemental Pay | 40,250 | - | 24,000 | 27,000 | 6,000 |
| Contract Payments - Other | - | - | - | 64,381 | - |
| Miscellaneous Revenue | 100,636 | 79,830 | 38,157 | 77,108 | 138,713 |
| Total General Revenues | <u>1,422,917</u> | <u>506,119</u> | <u>536,894</u> | <u>633,427</u> | <u>252,403</u> |
| Change in Net Position | (26,329) | 81,741 | 116,155 | 178,625 | 152,006 |
| Net Position: | | | | | |
| Beginning of the Year, Original | 1,623,767 | 308,038 | 258,025 | (91,102) | 1,109,637 |
| Prior Period Adjustment | - | - | 3,656 | - | - |
| Beginning of the Year, Restated | <u>1,623,767</u> | <u>308,038</u> | <u>261,681</u> | <u>(91,102)</u> | <u>1,109,637</u> |
| End of the Year | <u>\$ 1,597,438</u> | <u>\$ 389,779</u> | <u>\$ 377,836</u> | <u>\$ 87,523</u> | <u>\$ 1,261,643</u> |

(Continued on Next Page)

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

Exhibit H
(Concluded)

Amite, Louisiana

Combining Statement of Activities – Discretely Presented Component Units
For the Year Ended December 31, 2021

| | 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 | \$ 613,289 | \$ 429,469 | \$ 305,758 | \$ 301,104 | \$ 3,532,009 |
| Depreciation | 40,273 | 25,241 | 876 | 40,788 | 120,276 |
| Fire Service Contract | - | - | 35,640 | - | 396,280 |
| Fuel | 16,147 | 28,314 | 8,874 | 22,969 | 130,532 |
| Insurance | 50,258 | 86,403 | 31,287 | 46,113 | 383,786 |
| Legal & Professional | 9,682 | 4,238 | 6,340 | 13,804 | 58,624 |
| Office Supplies & Postage | 9,656 | 6,959 | 3,723 | 3,696 | 38,722 |
| Station Supplies | 26,419 | 53,951 | 13,537 | 43,799 | 240,294 |
| Repairs & Maintenance | 157,272 | 67,294 | 61,299 | 77,969 | 687,252 |
| Telephone & Utilities | 33,227 | 54,123 | 14,710 | 27,601 | 217,770 |
| Training | 3,995 | 2,443 | 2,040 | 1,557 | 21,218 |
| Uniforms | 9,264 | 2,850 | 1,560 | - | 31,683 |
| Miscellaneous | 17,712 | 24,332 | 14,336 | 22,327 | 134,014 |
| 2% Fire Rebate Payments | - | - | - | - | - |
| Debt Service Payments | 46,324 | 12,994 | 8,924 | 9,663 | 247,208 |
| Equipment | 2,037 | 12,115 | - | 96,953 | 141,220 |
| Total Expenses | <u>1,035,555</u> | <u>810,726</u> | <u>508,904</u> | <u>708,343</u> | <u>6,380,888</u> |
| Program Revenues: | | | | | |
| Charges for Services | 8,400 | - | - | - | 266,900 |
| Operating Grants | - | - | - | 102,788 | 229,407 |
| Capital Grants | - | - | - | - | 82,679 |
| Total Program Revenues | <u>8,400</u> | <u>-</u> | <u>-</u> | <u>102,788</u> | <u>578,986</u> |
| Net Program (Expenses) Revenues | (1,027,155) | (810,726) | (508,904) | (605,555) | (5,801,902) |
| General Revenues: | | | | | |
| Ad Valorem Taxes | 869,625 | 997,930 | 406,300 | 441,941 | 5,103,700 |
| State Revenue Sharing | 73,387 | 84,214 | 34,287 | 37,295 | 430,696 |
| 2% Fire Insurance Rebate | 51,531 | 59,134 | 24,076 | 26,188 | 302,428 |
| Interest Income | 4,946 | 13,595 | 1,459 | 2,658 | 47,427 |
| State Supplemental Pay | 18,750 | 6,000 | 3,250 | - | 125,250 |
| Contract Payments - Other | - | 133,000 | - | - | 197,381 |
| Miscellaneous Revenue | 165,790 | 41,151 | 22,548 | 38,661 | 702,594 |
| Total General Revenues | <u>1,184,029</u> | <u>1,335,024</u> | <u>491,920</u> | <u>546,743</u> | <u>6,909,476</u> |
| Change in Net Position | 156,874 | 524,298 | (16,984) | (58,812) | 1,107,574 |
| Net Position: | | | | | |
| Beginning of the Year, Original | 1,038,275 | 1,891,271 | 318,272 | 1,182,718 | 7,638,901 |
| Prior Period Adjustment | (1,047) | 41,053 | - | - | 43,662 |
| Beginning of the Year, Restated | <u>1,037,228</u> | <u>1,932,324</u> | <u>318,272</u> | <u>1,182,718</u> | <u>7,682,563</u> |
| End of the Year | <u>\$ 1,194,102</u> | <u>\$ 2,456,622</u> | <u>\$ 301,288</u> | <u>\$ 1,123,906</u> | <u>\$ 8,790,137</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

Notes to Financial Statements
For the Year Ended December 31, 2021

Narrative Profile

The Tangipahoa Parish Rural Fire Protection District No. 2 (the “District”) is a body corporate 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 councilmen of the Council. The District was created for the purpose of providing fire protection and prevention to unincorporated areas of the Parish of Tangipahoa, Louisiana.

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

1. Summary of Significant Accounting Policies

A. Financial Reporting Entity

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

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

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

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

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

Amite, Louisiana

Notes to Financial Statements (Continued)
For the Year Ended December 31, 2021

B. Discretely Presented Component Units

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

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

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

One additional 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, 2021

D. Measurement Focus / Basis of Accounting

Basic Financial Statements – Government-Wide Financial Statements

The statement of net position and the statement of activities display information about the District as a whole. These statements include all the financial activities of the District with most of the interfund activities removed. Information contained in these columns reflects the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets, and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

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

The District does not allocate indirect expenses.

Basic Financial Statements – Governmental Funds

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

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

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

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

Amite, Louisiana

Notes to Financial Statements (Continued)
For the Year Ended December 31, 2021

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

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

Discretely Presented Component Units

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

E. Budgets and Budgetary Accounting

The District adopted an operating budget for its General Fund for the fiscal year ended December 31, 2021. 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 2021 budget was introduced on November 23, 2020.
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 December 1, 2020.
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 2021 budget was held on December 14, 2020.
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 2021 budget was adopted on December 14, 2020.
5. Copies of the adopted budgets are kept on file for public inspection.
6. Budgetary amendments due to increases or decreases in revenues or expenditures over amounts estimated require a majority vote of the Board of Commissioners. The budget was amended on November 22, 2021.
7. All budgetary appropriations lapse at the end of each year. Formal budgetary integration is not employed.

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

Amite, Louisiana

Notes to Financial Statements (Continued)

For the Year Ended December 31, 2021

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

F. Deposits and Investments

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, interest bearing demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. Under state law, the District may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana. In addition, the District may invest in United States bonds, treasury notes, or certificates. These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents.

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

G. Receivables and Payables

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

Property Taxes

Ad valorem taxes are levied in October and billed to the taxpayers in November. Billed taxes become delinquent as of January 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 2021, 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 \$6,430,953. At December 31, 2021, the ad valorem tax receivable was \$6,302,334. Ad valorem taxes receivable at December 31, 2021, are recorded net of a 2.0% allowance for uncollectible taxes of \$128,619.

State Revenue Sharing

For the year 2021, the District received \$488,219 in Louisiana State Revenue Sharing. At December 31, 2021, state revenue sharing receivable totaled \$488,219. The District considers this receivable fully collectible and, therefore, has not recorded an allowance for uncollectible state revenue sharing revenues.

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

Amite, Louisiana

Notes to Financial Statements (Continued)
For the Year Ended December 31, 2021

H. Prepaid Items

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

I. Capital Assets

Capital outlays are recorded as expenditures of the governmental funds and as assets in the government-wide financial statements. Capital assets are valued at historical cost or estimated historical cost if actual cost was not available. Donated capital assets are recorded at their acquisition value (entry price) at the date of donation as required by GASB Statement No. 72, *Fair Value Measurement and Application*. At December 31, 2021, the District maintains a threshold level of \$1,000 or more for capitalizing capital assets.

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

J. Compensated Absences

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

K. Long-Term Obligations

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

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

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Notes to Financial Statements (Continued)
For the Year Ended December 31, 2021

L. Net Position

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

1. Net Investment in Capital Assets – consists of the historical cost of capital assets, including any restricted capital assets, net of accumulated depreciation, and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
2. Restricted – consists of assets that have constraints that are externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or constraints imposed by law through constitutional provisions or enabling legislation.
3. Unrestricted – all other net position is reported in this category.

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

M. Fund Balance

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

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

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

As of December 31, 2021, the District did not have any nonspendable, restricted, committed, or assigned fund balances.

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Notes to Financial Statements (Continued)
For the Year Ended December 31, 2021

N. Estimates

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

2. Stewardship, Compliance and Accountability

A. Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the general fund. All annual appropriations lapse at year-end. See Note 1-E regarding operating budgets. The District complied with the Louisiana Local Government Budget Act in adopting its budget for the year ended December 31, 2021.

B. Deposits and Investment Laws and Regulations

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

C. Deficit Fund Equity

As of December 31, 2021, the District's general fund did not have a deficit fund equity. As of December 31, 2021, no 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 \$1,544,762 and investments totaling \$1,058 at December 31, 2021. 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.

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Notes to Financial Statements (Continued)
For the Year Ended December 31, 2021

The following is a summary of cash and investments at December 31, 2021, with the related federal deposit insurance and pledge securities:

| | |
|--|--------------|
| Bank Balances: | |
| Insured (FDIC Insurance) | \$ 250,000 |
| Uninsured and Collateralized: | |
| Collateral held by pledging bank's trust department not in the District's name | 1,294,942 |
| Uninsured and Uncollateralized | - |
| Total Deposits | \$ 1,544,942 |

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, 2021, 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, 2021, the District's investment balances are as follows:

| | Reported Amount | Fair Value |
|----------------------------------|--------------------|---------------|
| Louisiana Asset Management Pool: | | |
| Tax Fund | \$ 529 | \$ 529 |
| Administration Fund | 529 | 529 |
| Total | \$ 1,058 | \$ 1,058 |

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 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.

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Notes to Financial Statements (Continued)
For the Year Ended December 31, 2021

- Custodial Credit Risk: LAMP participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.
- Concentration of Credit Risk: Pooled investments are excluded from the 5% disclosure requirement.
- Interest Rate Risk: LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP prepares its own interest rate risk disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 90 days and consists of no securities with a maturity in excess of 397 days or 762 days for U.S. Government floating / variable rate investments. The WAM for LAMP's total investments was 58 days as of December 31, 2021.
- Foreign Currency Risk: Not applicable.

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

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

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

B. Discretely Presented Component Units

As reflected on Exhibit G, the discretely presented component units had cash and cash equivalents totaling \$6,444,332 and investments totaling \$318,104 at December 31, 2021.

At December 31, 2021, the discretely presented component units' investment balances are as follows:

| | Reported Amount | Fair Value |
|--|--------------------|---------------|
| Louisiana Asset Management Pool: | | |
| Fire Department Fund | \$ 445 | \$ 445 |
| Certificates of Deposit: | | |
| Hammond Rural Fire Department, Inc. | 195,751 | 195,751 |
| Husser Volunteer Fire Department, Inc. | 121,908 | 121,908 |
| Total | \$ 318,104 | \$ 318,104 |

At December 31, 2021, the discretely presented component units had \$6,537,692 in total deposits (collected bank balances). \$1,617,603 of deposits are in their separate accounts, with \$1,605,817 being secured by FDIC insurance. The remaining \$11,786 is uninsured and uncollateralized.

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Notes to Financial Statements (Continued)
For the Year Ended December 31, 2021

4. Custodial Credit Risk – Deposits

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

The District maintains three separate bank accounts as follows:

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

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

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

As of December 31, 2021, the District's total bank balances for all three accounts was \$7,122,767. Of this amount, \$6,872,767 was exposed to custodial credit risk. This \$6,872,767 is uninsured but collateralized with securities held by the pledging institutions trust department or agent, but not in the District’s name.

5. Receivables

A. Primary Government

Receivables represent revenues earned in 2021 and received in 2022 as follows:

| | |
|---------------------------------------|---------------------|
| Property Tax Receivable | \$ 6,302,334 |
| State Revenue Sharing Receivable | 488,219 |
| Other Receivable | 2,811 |
| Due from FEMA | - |
| Receivables at December 31, 2021, Net | <u>\$ 6,793,364</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.

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Notes to Financial Statements (Continued)
For the Year Ended December 31, 2021

B. Discretely Presented Component Units

The following is a summary of receivables at December 31, 2021, for component units:

| | |
|---|--------------|
| Due from Rural Fire Protection District No. 2 | \$ 1,356,042 |
| Other Receivables | 215,796 |
| Receivables at December 31, 2021, Net | \$ 1,571,838 |

6. Capital Assets

A. Primary Government

Capital assets and depreciation activity as of and for the year ended December 31, 2021, are as follows:

| | Balance 12/31/20 | Additions | Deletions | Balance 12/31/21 |
|--------------------------------------|---------------------|--------------|-----------|---------------------|
| Capital Assets Not Depreciated: | | | | |
| Land | \$ 499,250 | \$ - | \$ - | \$ 499,250 |
| Total Capital Assets Not Depreciated | 499,250 | - | - | 499,250 |
| Other Capital Assets: | | | | |
| Buildings | 5,151,569 | 6,474 | 8,000 | 5,150,043 |
| Equipment / Vehicle | 15,658,522 | 173,797 | 178,000 | 15,654,319 |
| Total Other Capital Assets | 20,810,091 | 180,271 | 186,000 | 20,804,362 |
| Less Accumulated Depreciation: | | | | |
| Buildings | (1,518,777) | (134,606) | (4,754) | (1,648,629) |
| Equipment / Vehicle | (10,782,143) | (775,527) | (178,000) | (11,379,670) |
| Total Accumulated Depreciation | (12,300,920) | (910,133) | (182,754) | (13,028,299) |
| Total Other Capital Assets, Net | 8,509,171 | (729,862) | 3,246 | 7,776,063 |
| Total | \$ 9,008,421 | \$ (729,862) | \$ 3,246 | \$ 8,275,313 |

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, 2021

B. Discretely Presented Component Units

Capital assets and depreciation activity as of and for the year ended December 31, 2021, are as follows:

| | <u>Balance</u> <u>12/31/20</u> | <u>Additions</u> | <u>Deletions</u> | <u>Balance</u> <u>12/31/21</u> |
|--|-----------------------------------|--------------------|------------------|-----------------------------------|
| Hammond Volunteer Fire Department: | | | | |
| Equipment | \$ 51,845 | 2,292 | \$ - | \$ 54,137 |
| Less: Accumulated Depreciation | <u>(864)</u> | <u>(5,261)</u> | <u>-</u> | <u>(6,125)</u> |
| Total | <u>\$ 50,981</u> | <u>\$ (2,969)</u> | <u>\$ -</u> | <u>\$ 48,012</u> |
| Husser Volunteer Fire Department: | | | | |
| Equipment | \$ - | 14,609 | \$ - | \$ 14,609 |
| Less: Accumulated Depreciation | <u>-</u> | <u>(609)</u> | <u>-</u> | <u>(609)</u> |
| Total | <u>\$ -</u> | <u>\$ 14,000</u> | <u>\$ -</u> | <u>\$ 14,000</u> |
| Independence Volunteer Fire Department: | | | | |
| Construction in Progress | \$ 2,225 | \$ 76,727 | \$ - | \$ 78,952 |
| Equipment | 198,862 | - | - | 198,862 |
| Vehicles | 16,798 | - | - | 16,798 |
| Less: Accumulated Depreciation | <u>(204,469)</u> | <u>(7,228)</u> | <u>-</u> | <u>(211,697)</u> |
| Total | <u>\$ 13,416</u> | <u>\$ 69,499</u> | <u>\$ -</u> | <u>\$ 82,915</u> |
| Natalbany Volunteer Fire Department: | | | | |
| Land | \$ 62,562 | - | \$ - | \$ 62,562 |
| Buildings | 514,684 | - | - | 514,684 |
| Building Improvements | 260,172 | - | - | 260,172 |
| Equipment | 320,841 | 1,870 | - | 322,711 |
| Vehicles | 207,133 | - | - | 207,133 |
| Less: Accumulated Depreciation | <u>(655,393)</u> | <u>(40,273)</u> | <u>-</u> | <u>(695,666)</u> |
| Total | <u>\$ 709,999</u> | <u>\$ (38,403)</u> | <u>\$ -</u> | <u>\$ 671,596</u> |
| Ponchatoula Volunteer Fire Department: | | | | |
| Equipment | \$ 192,461 | 31,255 | \$ - | \$ 223,716 |
| Less: Accumulated Depreciation | <u>(130,535)</u> | <u>(25,241)</u> | <u>-</u> | <u>(155,776)</u> |
| Total | <u>\$ 61,926</u> | <u>\$ 6,014</u> | <u>\$ -</u> | <u>\$ 67,940</u> |

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Tangipahoa Parish Rural Fire Protection District No. 2
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Notes to Financial Statements (Continued)
For the Year Ended December 31, 2021

| | Balance 12/31/20 | Additions | Deletions | Balance 12/31/21 |
|---|---------------------|-------------|-----------|---------------------|
| Continued from Previous Page | | | | |
| Wilmer Volunteer Fire Department: | | | | |
| Vehicles | \$ 157,758 | \$ - | \$ - | \$ 157,758 |
| Equipment | 4,294 | 10,887 | - | 15,181 |
| Less: Accumulated Depreciation | (158,563) | (876) | - | (159,439) |
| Total | \$ 3,489 | \$ 10,011 | \$ - | \$ 13,500 |
| Eighth Ward Volunteer Fire Department: | | | | |
| Land | \$ 51,880 | \$ - | \$ - | \$ 51,880 |
| Buildings | 672,231 | - | - | 672,231 |
| Equipment | 483,825 | 20,916 | - | 504,741 |
| Total | 1,207,936 | 20,916 | - | 1,228,852 |
| Less: Accumulated Depreciation | (497,792) | (40,788) | - | (538,580) |
| Total | \$ 710,144 | \$ (19,872) | \$ - | \$ 690,272 |
| Total Component Units Capital Assets | \$ 3,197,571 | \$ 158,556 | \$ - | \$ 3,356,127 |
| Less: Total Accumulated Depreciation | (1,647,616) | (120,276) | - | (1,767,892) |
| Total Component Units Capital Assets, Net | \$ 1,549,955 | \$ 38,280 | \$ - | \$ 1,588,235 |

7. Long-Term Debt

A. Primary Government

The following is a summary of debt transactions of the District for the year ended December 31, 2021:

| Type of Debt | Balance 01/01/21 | Debt Issued | Debt Retired | Balance 12/31/21 | Due In One Year |
|-----------------------|---------------------|----------------|-----------------|---------------------|--------------------|
| Capital Leases: | | | | | |
| Ford F-150 XL 4x4 (3) | \$ 35,627 | \$ - | \$ 18,222 | \$ 17,405 | \$ 17,405 |
| 2019 Ford F-150 XLT | 25,572 | - | 7,450 | 18,122 | 7,814 |
| 2019 Ford F-150 XL | 20,161 | - | 5,716 | 14,445 | 5,995 |
| 2019 Ford F-350 XL | 21,587 | - | 6,498 | 15,089 | 6,787 |
| Motorola Radios | 512,814 | - | 196,398 | 316,416 | 105,628 |
| Total | \$ 615,761 | \$ - | \$ 234,284 | \$ 381,477 | \$ 143,629 |

On October 19, 2017, the District entered into a capital lease agreement at a fixed interest rate of 4.300% with Enterprise FM Trust for the purchase of three Ford F-150 trucks, totaling \$89,514, with accumulated depreciation of \$74,595, for use by the Independence Volunteer Fire Department, Inc. and the Ponchatoula Volunteer Fire Department, Inc. The lease obligation is effective during the period

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Notes to Financial Statements (Continued)
For the Year Ended December 31, 2021

October 19, 2017, through November 19, 2022. Monthly payments of \$1,616.49 began on January 19, 2018. Total payments during 2021 totaled \$18,222 of principal and \$1,176 of interest.

On February 19, 2019, the District entered into a capital lease agreement at a fixed interest rate of 4.780% with Enterprise FM Trust for the purchase of a Ford F-150 XLT truck, totaling \$38,538, with accumulated depreciation of \$22,480. The lease obligation is effective for a period of 60 months through March 2024. Monthly payments of \$709.23 began on April 22, 2019. Total payments during 2021 totaled \$7,450 of principal and \$1,061 of interest.

On March 11, 2019, the District entered into a capital lease agreement at a fixed interest rate of 4.770% with Enterprise FM Trust for the purchase of a Ford F-150 XL truck, totaling \$30,031, with accumulated depreciation of \$17,018, for use by the Hammond Volunteer Fire Department, Inc. The lease obligation is effective for a period of 60 months through April 2024. Monthly payments of \$546.16 began on April 22, 2019. Total payments during 2021 totaled \$5,716 of principal and \$838 of interest.

On January 18, 2019, the District entered into a capital lease agreement at a fixed interest rate of 4.370% with Enterprise FM Trust for the purchase of a Ford F-350 XL truck, totaling \$33,644, with accumulated depreciation of \$20,187, for use by the Independence Volunteer Fire Department, Inc. The lease obligation is effective for a period of 60 months through February 2024. Monthly payments of \$609.32 began on February 20, 2019. Total payments during 2021 totaled \$6,498 of principal and \$814 of interest.

On July 1, 2020, the District entered into a capital lease agreement with Motorola Solutions Credit Company, LLC for the purchase of 154 Motorola radios for \$512,814. The radios are being leased at a fixed interest rate of 0.000% for the first two years and 2.520% for the final three years. The lease obligation is effective for a period of 60 months through July 2025. Annual payments of \$105,627.66 begin on July 1, 2021. Total payments during 2021 totaled \$105,628 of principal and \$-0- of interest. Accumulated depreciation on these radios as of December 31, 2021 totaled \$72,544.

The annual requirements to amortize all debt outstanding for the primary government at December 31, 2021, including interest payments of \$11,292 are as follows:

| Year Ended December 31, | Capital Leases | | | | | Total |
|----------------------------|--------------------------|------------------------|-----------------------|-----------------------|--------------------|-------------------|
| | Ford F-150 XL 4x4 (3) | 2019 Ford F-150 XLT | 2019 Ford F-150 XL | 2019 Ford F-350 XL | Motorola Radios | |
| 2022 | \$ 17,781 | \$ 8,511 | \$ 6,554 | \$ 7,312 | \$ 105,628 | \$ 145,786 |
| 2023 | - | 8,511 | 6,554 | 7,312 | 105,628 | 128,005 |
| 2024 | - | 2,127 | 2,184 | 1,218 | 105,628 | 111,157 |
| 2025 | - | - | - | - | 7,821 | 7,821 |
| | 17,781 | 19,149 | 15,292 | 15,842 | 324,705 | 392,769 |
| Less: Interest Portion | 376 | 1,027 | 847 | 753 | 8,289 | 11,292 |
| | <u>\$ 17,405</u> | <u>\$ 18,122</u> | <u>\$ 14,445</u> | <u>\$ 15,089</u> | <u>\$ 316,416</u> | <u>\$ 381,477</u> |

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Notes to Financial Statements (Continued)
For the Year Ended December 31, 2021

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, 2021:

| <u>Type of Debt</u> | <u>Balance 01/01/21</u> | <u>Debt Issued</u> | <u>Debt Retired</u> | <u>Balance 12/31/21</u> | <u>Due In One Year</u> |
|----------------------------|-----------------------------|------------------------|-------------------------|-----------------------------|----------------------------|
| Notes Payable: | | | | | |
| Loranger VFD | \$ 178,810 | \$ - | \$ 29,746 | \$ 149,064 | \$ 27,946 |
| Independence VFD | 76,732 | - | 10,001 | 66,731 | 10,306 |
| First Guaranty Bank | - | 25,000 | - | 25,000 | 7,868 |
| USDA Rural Housing Service | 587,220 | - | 9,656 | 577,564 | 10,596 |
| Total | <u>\$ 842,762</u> | <u>\$ 25,000</u> | <u>\$ 49,403</u> | <u>\$ 818,359</u> | <u>\$ 56,716</u> |

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

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

On December 14, 2021, the Independence Volunteer Fire Department, Inc. obtained a loan from First Guaranty Bank for \$25,000 at a fixed interest rate of 5.50% for the construction of a building. This building is still under construction as of December 31, 2021 and has not yet been placed in service. The loan is for a period of 36 months through December 2024. Monthly payments of \$756.80 are scheduled to begin on January 23, 2022.

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.

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Notes to Financial Statements (Continued)
For the Year Ended December 31, 2021

The annual requirements to amortize all debt outstanding for the discretely presented component units at December 31, 2021, including interest payments of \$392,015 are as follows:

| Year Ended December 31, | Loranger VFD | Indep. VFD | FGB Bank | USDA | Total |
|----------------------------|-------------------|------------------|------------------|-------------------|-------------------|
| 2022 | \$ 32,486 | \$ 12,335 | \$ 9,082 | 30,720 | \$ 84,623 |
| 2023 | 32,486 | 12,335 | 9,082 | 30,720 | 84,623 |
| 2024 | 32,486 | 12,335 | 9,047 | 30,720 | 84,588 |
| 2025 | 32,486 | 12,335 | - | 30,720 | 75,541 |
| 2026 | 33,070 | 12,335 | - | 30,720 | 76,125 |
| 2027 - 2031 | - | 12,335 | - | 153,600 | 165,935 |
| 2032 - 2036 | - | - | - | 153,600 | 153,600 |
| 2037 - 2041 | - | - | - | 153,600 | 153,600 |
| 2042 - 2046 | - | - | - | 153,600 | 153,600 |
| 2047 - 2051 | - | - | - | 153,600 | 153,600 |
| 2052 | - | - | - | 24,539 | 24,539 |
| | 163,014 | 74,010 | 27,211 | 946,139 | 1,210,374 |
| Less: Interest Portion | 13,950 | 7,279 | 2,211 | 368,575 | 392,015 |
| | <u>\$ 149,064</u> | <u>\$ 66,731</u> | <u>\$ 25,000</u> | <u>\$ 577,564</u> | <u>\$ 818,359</u> |

8. On-Behalf Payments

The District follows GASB Statement No. 24, "Accounting and Financial Reporting for Certain Grants and Other Financial Assistance." This standard requires the District to report in the financial statements on-behalf salary and fringe benefit payments made by the State of Louisiana to the District's employees. The District is not legally responsible for these salary supplements. Therefore, the basis for recognizing the revenue and expenditure payments is the actual contributions made by the State. For the fiscal year ended December 31, 2021, the State paid \$6,000 in supplemental salary payments to the Fire Administrator of the District.

For the fiscal year ended December 31, 2021, the State paid supplemental salaries to the component units' employees in the amount of \$125,250.

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. For the 2021 calendar year, \$18,025 of the District's ad valorem tax revenues were abated as a result of this program.

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, 2021

10. Compensation Paid to the Board of Commissioners

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

| | | |
|---|-----------|----------|
| Trent Forrest, Board Member (Parish Council District 1) | \$ | - |
| John Ingraffia, Board Member (Parish Council District 2) | | - |
| Louis "Nick" Joseph, Board Member (Parish Council District 3) | | - |
| Carlo S. Bruno, Board Member (Parish Council District 4) | | - |
| H.G. "Buddy" Ridgel, Board Member (Parish Council District 5) | | - |
| Emile "Joey" Mayeaux, Board Member (Parish Council District 6) | | - |
| Lionell Wells, Board Member (Parish Council District 7) | | - |
| David Vial, Board Member (Parish Council District 8) | | - |
| Brigitte Delatte Hyde, Board Member (Parish Council District 9) | | - |
| Kim Landry Coates, Board Member (Parish Council District 10) | | - |
| Total | <u>\$</u> | <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. Prior Period Adjustment

A. Discretely Presented Component Units

During the current year, an adjustment of \$3,656 was made to the Independence Volunteer Fire Department, Inc. to include the fundraiser checking account that now has public funds in it. Beginning Net Position for the year ended December 31, 2021 was changed from \$258,025 to \$261,681 as a result of this prior period adjustment.

During the current year, prior period adjustments totaling (\$1,047) were made to the Natalbany Volunteer Fire Department, Inc. The adjustments were to correct the debt service payments which were understated. Beginning Net Position for the year ended December 31, 2021 was changed from \$1,038,275 to \$1,037,228 as a result of these prior period adjustments.

During the current year, an adjustment of \$41,053 was made to the Ponchatoula Volunteer Fire Department, Inc. to adjust prior year accounts payable for the overstatement of worker's compensation payments. Beginning Net Position for the year was changed from \$1,891,271 to \$1,932,324 as a result of this prior period adjustment.

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, 2021

13. Subsequent Events

Subsequent to December 31, 2021, the following event occurred:

- On April 25, 2022, the Fire District's Board approved the purchase of a new Freightliner Tanker for \$376,778.81 off of state contract to be used by the Ponchatoula Volunteer Fire Department, Inc.

Management has evaluated subsequent events through the date that the financial statements were available to be issued, June 28, 2022, 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 (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, 2021

| | Original Budget | Final Budget | Actual Amounts - Budgetary Basis | Variance with Final Budget Favorable / (Unfavorable) |
|--|--------------------|-----------------|---|---|
| Revenues: | | | | |
| Ad Valorem Taxes | \$ 6,083,062 | \$ 6,203,192 | \$ 6,577,737 | \$ 374,545 |
| Intergovernmental Revenues: | | | | |
| State Revenue Sharing | 475,800 | 481,224 | 488,219 | 6,995 |
| 2% Fire Insurance Rebate | 335,000 | 337,908 | 337,908 | - |
| Interest Income | 17,500 | 22,500 | 22,848 | 348 |
| State Supplemental Pay | 6,000 | 6,000 | 6,000 | - |
| Insurance Proceeds | - | - | 197,381 | 197,381 |
| Municipal Fire Protection Revenue | 282,810 | 289,100 | 295,398 | 6,298 |
| Miscellaneous Revenues | - | 6,271 | - | (6,271) |
| Total Revenues | 7,200,172 | 7,346,195 | 7,925,491 | 579,296 |
| Expenditures: | | | | |
| Public Safety - Fire Protection: | | | | |
| Administration: | | | | |
| Salaries & Related Benefits | 128,235 | 132,000 | 130,357 | 1,643 |
| Accounting & Audit | 86,885 | 93,925 | 95,959 | (2,034) |
| Data Processing | 2,200 | 1,200 | 1,146 | 54 |
| Fuel | 2,250 | 2,100 | 1,970 | 130 |
| Insurance | 11,000 | 11,008 | 10,999 | 9 |
| Office Supplies & Postage | 3,600 | 2,300 | 2,682 | (382) |
| Legal & Professional | 15,000 | 12,000 | - | 12,000 |
| Repairs & Maintenance | 4,100 | 19,500 | 11,899 | 7,601 |
| Supplies | 25,600 | 6,050 | 8,851 | (2,801) |
| Telephone | 3,200 | 6,000 | 8,581 | (2,581) |
| Training | 500 | 1,150 | 1,124 | 26 |
| Miscellaneous | 14,020 | 14,359 | 9,720 | 4,639 |
| Pension Fund Mandate Deduction | 231,766 | 237,516 | 249,093 | (11,577) |
| Fire Contract Payments | 6,042,415 | 6,175,916 | 5,922,115 | 253,801 |
| 2% Fire Insurance Rebate Payments | 337,908 | 337,908 | 337,908 | - |
| Municipal Fire Insurance Protection | 295,398 | 295,398 | 295,398 | - |
| Contract Payments - Other | - | - | 197,381 | (197,381) |
| Debt Service | 8,500 | 8,500 | 12,336 | (3,836) |
| Capital Outlay | 7,000 | 12,700 | 20,101 | (7,401) |
| Total Expenditures | 7,219,577 | 7,369,530 | 7,317,620 | 51,910 |
| Net Change in Fund Balance | (19,405) | (23,335) | 607,871 | 631,206 |
| Fund Balance, Beginning of the Year | 5,822,319 | 6,293,185 | 6,293,185 | - |
| Fund Balance, End of the Year | \$ 5,802,914 | \$ 6,269,850 | \$ 6,901,056 | \$ 631,206 |

See auditor's report.

Other Supplemental Information:

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

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

Schedule 2

Amite, Louisiana

Schedule of Compensation, Benefits and Other Payments to Agency Head
For the Year Ended December 31, 2021

Agency Head: Dennis Crocker, Fire Administrator

| <u>Purpose</u> | <u>Amount</u> |
|---|-------------------|
| Salary | \$ 76,467 |
| Salary - Supplemental Pay | 6,000 |
| Benefits - Insurance | 12,312 |
| Benefits - Retirement | 9,367 |
| Benefits - Medicare | 1,199 |
| Benefits - Worker's Compensation Insurance | 119 |
| Vehicle Provided by Government (Taxed on W-2) | 666 |
| Cell Phone | 825 |
| Dues | 75 |
| | <u>\$ 107,030</u> |

See auditor's report.

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



LAURA GRAY

CERTIFIED PUBLIC ACCOUNTANT

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

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

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the general fund of Tangipahoa Parish Rural Fire Protection District No 2 (District), a component unit of Tangipahoa Parish Government, as of and for the year ended December 31, 2020, 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, 2022.

Report on 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) as a basis for designing 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. Given these limitations, during my audit I did not identify any deficiencies in internal control that I consider a material weakness. However, material weaknesses or significant deficiencies may exist that have not been identified.

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

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. I did identify a certain deficiency in internal control, described in the accompanying schedule of current year audit findings as item CU 21-01, that I 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, 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 financial statement. 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 the following instance of noncompliance that is required to be reported under *Government Auditing Standards*, which is described in the accompanying current year audit findings as item, Fire 21-01.

Purpose of This Report

This purpose of this report is 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, 2022

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, 2021

A. Primary Government

| | |
|---|----------|
| SECTION 1. INTERNAL CONTROL & COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS | |
| 2020-01 - Local Government Budget Act Violations | Resolved |
| SECTION 2. INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS | |
| None | |
| SECTION 3. MANAGEMENT LETTER | |
| None | |

B. Discretely Presented Component Unit – Natalbany

| | |
|---|-----------------------------|
| SECTION 1. INTERNAL CONTROL & COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS | |
| 2020-01 - Unreported Supplemental Pay | Not Resolved - See CU 21-01 |
| 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, 2021

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, 2021, and have issued my report thereon dated June 28, 2022. 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, 2021, 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 X No

Significant deficiencies identified not considered to be material weaknesses? X Yes ___ No

Compliance

Noncompliance material to financial statements noted? X Yes ___ No

Management Letter

Was a management letter issued? ___ Yes X 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, 2021

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).

Fire 21-01 Compliance with Louisiana Revised Statute 38:2241 - Written Contract and Bond

a) Per Louisiana Revised Statute 38:2241 for each contract in excess of five thousand dollars for the construction, alteration, or repair of any public works, the official representative of the public entity shall reduce the contract to writing and have it signed by the parties.

b) Per Louisiana Revised Statute 38:2241 for each contract in excess of twenty five thousand dollars per project, the public entity shall require of the contractor a bond with good, solvent, and sufficient surety in a sum of not less than fifty percent of the contract price for the payment by the contractor or subcontractor to claimants as defined in R.S. 38:2242. The bond furnished shall be a statutory bond and no modification, omissions, additions in or to the terms of the contract, in the plans or specifications, or in the manner and mode of payment shall in any manner diminish, enlarge, or otherwise modify the obligations of the bond. The bond shall be executed by the contractor with surety or sureties approved by the public entity and shall be recorded with the contract in the office of the recorder of mortgages in the parish where the work is to be done not later than thirty days after the work has begun.

In January 2021, JWS Construction, Inc. was hired to repair the Baptist Fire Station for a price of \$73,716.64.

The Fire District failed to receive a written contract, there is no evidence that a bond was received, and no documentation was filed in the courthouse.

The Fire Administrator should read LA R.S. 38:2241 and take steps to ensure compliance in the future.

CU 21-01 Supplemental Pay (Repeated from Prior Year)

State of Louisiana directly pays supplemental pay to employees and it is the responsibility of Natalbany Volunteer Fire Department, Inc. to withhold the social security and medicare payroll taxes from their current pay and report on the employee's W-2 and on the related payroll tax returns.

In the prior year, it was discovered that the supplemental pay had been under reported and payroll taxes were not properly collected or remitted to the taxing authorities. Natalbany Volunteer Fire Department, Inc. was supposed to have amended the 2020 W-2's, payroll tax returns, and collect the payroll taxes.

Audit procedures reveal none of the above items were done.

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, 2021

SECTION II – FINANCIAL STATEMENT FINDINGS

For the current year, audit tests revealed: 1) \$5,750 of unreported supplemental pay for an employee on active military duty, 2) payroll taxes were not collected or remitted to the taxing authorities on the \$5,750 and 3) there were three employees who had a total of \$1,345 over reported as compared to the pay warrants.

It is recommended that Natalbany Volunteer Fire Department, Inc. consult with an outside CPA firm that will help them with the filing of amended W-2's, amended payroll tax returns, properly preparing current payroll and payroll tax returns.



TANGIPAHOA PARISH RURAL FIRE PROTECTION DISTRICT NO. 2

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(985) 748-2277
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Email: dcrocker@tangipahoa.org

ADMINISTRATOR
DENNIS CROCKER

SECRETARY
KRISTEN PECARARO

TREASURER
VIRGINIA BAKER

June 28, 2022

Ms. Laura Gray, CPA
P.O. Box 1391
Amite, LA 70422

*RE: Regular Annual Audit
Tangipahoa Parish Rural Fire Protection District No. 2
As of and for the Year Ended December 31, 2021
Response to Audit Findings*

Dear Ms. Gray,

In your regular annual audit report of the Tangipahoa Parish Rural Fire Protection District No. 2 ("Fire District") for the year ended December 31, 2021, you reported one finding related to the Fire District's compliance with state law. The following contains our responses to your findings:

Fire 21-01 Compliance with LA R.S. 38:2241 – Written Contract and Bond

It is the policy of the Fire District to always follow the requirements of state law. The repair work referred to in your finding was for insurance repairs to a fire station building caused by a reckless operator of an automobile that ran into the station. The insurance adjuster provided a detailed written estimate of the damages sustained and the specific work required to be performed and the contractor agreed to complete the specific repair items identified by the insurance adjuster. The Fire District assumed the insurance adjusters report of damages to be repaired was sufficient.

In the future the Fire District will obtain a written contractor for all construction, alteration, or repair of any public works signed by the Fire Administrator and for those contracts in excess of twenty-five thousand dollars a bond will be required.

Respectfully submitted,

Tangipahoa Parish Rural Fire Protection District No. 2

Dennis Crocker, Fire Administrator

COMMISSIONERS

TRENT FORREST
EMILE "JOEY" MAYEAUX

JOHN INGRAFFIA
LIONELL WELLS

LOUIS JOSEPH
DAVID P. VIAL

CARLO S. BRUNO
BRIGETTE HYDE

H.G. "BUDDY" RIDGEL
KIM LANDRY COATES



Natalbany Fire Department

Proudly Serving Since 1954

Donnie Starkey, Fire Chief

P.O. Box 337 Natalbany, La 70451

Phone: 985-345-5354 • Fax: 985-662-3510 • Email: d_starkey@natalbanyfire.org

June 29, 2022

Ms. Laura Gray, CPA
P.O. Box 1391
Amite, LA 70422

Re: Response to Audit Finding for
FYE December 31, 2021

Dear Ms. Gray,

In your regular audit report of the Tangipahoa Parish Rural Fire Protection District No. 2 for the year ended December 31, 2021, in which the Natalbany Volunteer Fire Department Inc. is reported as a discretely presented component unit, you reported one finding related to Natalbany Volunteer Fire Department Inc. The following contains our response to that finding.

CU 21-01 Supplemental Pay

As the new chief, internal controls over financial reporting and complying with all laws is very important to me. As such, effective July 1, 2022, I have hired the certified public accounting firm of Anthony B. Baglio, CPA to process all accounts payable checks, process all payroll checks, prepare and file all payroll tax returns including W-2's and 1099's, reconcile the bank accounts, and maintain the general ledger.

Mr. Baglio's office will also assist the fire department in preparing the required amended tax filings.

Respectfully submitted,

Natalbany Volunteer Fire Department, Inc.


Donnie Starkey, Fire Chief



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CERTIFIED PUBLIC ACCOUNTANT

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Independent Accountants' Report on Applying Agreed-Upon Procedures

Dennis Crocker, Fire Administrator,
Members of the Fire Board,
Tangipahoa Parish Rural Fire Protection District No. 2
Amite, Louisiana

Louisiana Legislative Auditor
Baton Rouge, Louisiana

I 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, 2021 through December 31, 2021. Tangipahoa Parish Rural Fire Protection District No. 2 (the "District") management is responsible for those C/C areas identified in the SAUP's.

The District has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period January 1, 2021 through December 31, 2021. 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 the 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 results are detailed in Schedule "A"

I am engaged by The District to perform this agree-upon procedures engagement and conducted my engagement in accordance with attestation standards established by the America Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. I am 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, I do not express such an opinion or conclusion. Had I performed the additional procedures, other matters might have come to my attention that would have been reported to you.

I am required to be independent of The District and to meet my 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 and 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.


Certified Public Accountant
June 28, 2022

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.
 - **Results:** No exceptions were noted as a result for the above listed procedures.
 - 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.
 - **Results:** No exceptions were noted as a result for the above listed procedures.
 - c) ***Disbursements***, including processing, reviewing, and approving.
 - **Results:** No exceptions were noted as a result for the above listed procedures.
 - 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).
 - **Results:** No exceptions were noted as a result for the above listed procedures.
 - 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(s) rate of pay or approval and maintenance of pay rate schedules.
 - **Results:** At present the District has no employees. The Fire Administrator and the Assistant are employees of the Tangipahoa Parish Government.
 - 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.
 - **Results:** No exceptions were noted as a result for the above listed procedures.
 - g) ***Credit Cards (and debit cards, fuel cards, P-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).
 - **Results:** No exceptions were noted as a result for the above listed procedures.
 - h) ***Travel and Expense Reimbursement***, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
 - **Results:** No exceptions were noted as a result for the above listed procedures.

- 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.
- **Results:** No exceptions were noted as a result for the above listed procedures.
- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- **Results:** The current policy and procedure for debt service addresses debt issuance approval. At this time, the District has no debt that requires Emma Reporting, debt reserve requirements, and debt service requirements; therefore, there is no written policy for these items.
- 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.
- **Results:** No exceptions were noted as a result for the above listed procedures.
- l) **Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.
- **Results:** No exceptions were noted as a result for the above listed procedures.

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:
- a) 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.
- **Results:** No exceptions were noted as a result for the above listed procedures.
- b) For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds⁷. *Alternately, for those entities reporting on the nonprofit 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.*
- **Results:** No exceptions were noted as a result for the above listed procedures.

- c) 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.
- **Results:** No exceptions were noted as a result for the above listed procedures.

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:
- a) 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);
- **Results:** No exceptions were noted as a result for the above listed procedures.
- b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and
- **Results:** No exceptions were noted as a result for the above listed procedures.
- c) 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.
- **Results:** No exceptions were noted as a result for the above listed procedures.

Collections (excluding electronic funds transfers)

4. 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).
5. 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 (i.e., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, 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:
- a) Employees responsible for cash collections do not share cash drawers/registers.
- **Results:** No exceptions were noted as a result for the above listed procedures.
- b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit.
- **Results:** No exceptions were noted as a result for the above listed procedures.

- c) Each employee responsible for collecting cash is not 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.
- **Results:** No exceptions were noted as a result for the above listed procedures.
- d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, are not responsible for collecting cash, unless another employee/official verifies the reconciliation.
- **Results:** No exceptions were noted as a result for the above listed procedures.
6. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe the bond or insurance policy for theft was enforced during the fiscal period.
- **Results:** Cash in not an acceptable form of payment; therefore bond or insurance policy for theft is not necessary. The contract CPA has professional liability insurance with sufficient limits.
7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under “Bank Reconciliations” above (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). *Alternately, 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:
- a) Observe that receipts are sequentially pre-numbered.
- **Results:** No exceptions were noted as a result for the above listed procedures.
- b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
- **Results:** No exceptions were noted as a result for the above listed procedures.
- c) Trace the deposit slip total to the actual deposit per the bank statement.
- **Results:** No exceptions were noted as a result for the above listed procedures.
- d) Observe 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).
- **Results:** No exceptions were noted as a result for the above listed procedures.
- e) Trace the actual deposit per the bank statement to the general ledger.
- **Results:** No exceptions were noted as a result for the above listed procedures.

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

8. 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).

9. For each location selected under #8 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, inquire of employees about their job duties), and observe that job duties are properly segregated such that:
 - a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
 - **Results:** No exceptions were noted as a result for the above listed procedures.
 - b) At least two employees are involved in processing and approving payments to vendors.
 - **Results:** No exceptions were noted as a result for the above listed procedures.
 - c) 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.
 - **Results:** No exceptions were noted as a result for the above listed procedures.
 - d) 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.
 - **Results:** No exceptions were noted as a result for the above listed procedures.

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

10. For each location selected under #8 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:
 - a) Observe whether the disbursement matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the entity.
 - **Results:** No exceptions were noted as a result for the above listed procedures.
 - b) Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.
 - **Results:** No exceptions were noted as a result for the above listed procedures.

Credit Cards/Debit Cards/Fuel Cards/P-Cards

11. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-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.

- **Results:** No exceptions were noted as a result for the above listed procedures.

12. 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., original 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. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]

- **Results:** No exceptions were noted as a result for the above listed procedures.

b) Observe that finance charges and late fees were not assessed on the selected statements.

- **Results:** One of the five credit card statements selected had a late fee charge.

13. Using the monthly statements or combined statements selected under #12 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 (i.e., each card should have 10 transactions subject to testing). For each transaction, observe 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 note whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

- **Results:** No exceptions were noted as a result for the above listed procedures 1) and 3). Only one of the five items selected for testing had a written business/public purpose. All other items had a purchase order attached and it was evident from the receipt that the items purchased were items a fire department would use.

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

14. 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, 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:

a) If reimbursed using a per diem, observe the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).

- **Results:** No exceptions were noted as a result for the above listed procedures.

- b) If reimbursed using actual costs, observe the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
- **Results:** No exceptions were noted as a result for the above listed procedures
- c) Observe 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 policy (procedure #1h).
- **Results:** No exceptions were noted as a result for the above listed procedures
- d) Observe each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.
- **Results:** No exceptions were noted as a result for the above listed procedures

Contracts

15. 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. *Alternately, 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:
- a) 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.
- **Results:** No exceptions were noted as a result for the above listed procedures
- b) Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter).
- **Results:** No exceptions were noted as a result for the above listed procedures
- c) If the contract was amended (e.g., change order), observe 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, was approval documented).
- **Results:** No exceptions were noted as a result for the above listed procedures
- d) 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 the invoice and related payment agreed to the terms and conditions of the contract.
- **Results:** No exceptions were noted as a result for the above listed procedures

Payroll and Personnel

16. 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.
- **Results:** No exceptions were noted as a result for the above listed procedures.
17. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:
- a) Observe all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, officials are not eligible to earn leave and do not document their attendance and leave. However, if the official is earning leave according to a policy and/or contract, the official should document his/her daily attendance and leave.)
- **Results:** No exceptions were noted as a result for the above listed procedures
- b) Observe whether supervisors approved the attendance and leave of the selected employees or officials.
- **Results:** No exceptions were noted as a result for the above listed procedures
- c) Observe any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
- **Results:** No exceptions were noted as a result for the above listed procedures
- d) Observe the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.
- **Results:** No exceptions were noted as a result for the above listed procedures
18. 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, 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 or officials' cumulative leave records, agree the pay rates to the employee or officials' authorized pay rates in the employee or officials' personnel files, and agree the termination payment to entity policy.
- **Results:** No employees or officials received termination payments during the fiscal year.
19. 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, etc.) have been paid, and any associated forms have been filed, by required deadlines.
- **Results:** No exceptions were noted as a result for the above listed procedures

Ethics

20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above obtain ethics documentation from management, and:
- a) Observe whether the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
 - **Results:** No exceptions were noted as a result for the above listed procedures
 - b) Observe whether the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.
 - **Results:** No exceptions were noted as a result for the above listed procedures

Debt Service

21. 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 State Bond Commission approval was obtained for each debt instrument issued.
- **Results:** The only debt the District has are two leases which have the appropriate non-appropriations clause; therefore, State Bond Commission approval is not required.
22. 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).
- **Results:** Since the only debt the District has are leases, there are no debt covenants or reserve funds.

Fraud Notice

23. 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.
- **Results:** No exceptions were noted as a result for the above listed procedures
24. Observe 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.
- **Results:** No exceptions were noted as a result for the above listed procedures

Information Technology Disaster Recovery/Business Continuity/Storm & Random Attack

25. Perform the following procedures, **verbally discuss the results with management, and report “I 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 no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), observe evidence that backups are encrypted before being transported.

- **Results: I performed the procedure and discussed the results with management.**

- b) Obtain and inspect the entity’s most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.

- **Results: I performed the procedure and discussed the results with management.**

- 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.

- **Results: I performed the procedure and discussed the results with management.**

Sexual Harassment

26. Using the 5 randomly selected employees/officials from procedure #16 under “Payroll and Personnel” above, obtain sexual harassment training documentation from management, and observe the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year.

- **Results:** Two of the five randomly selected employees/officials did not complete the one hour of sexual harassment training during the calendar year.

27. Observe 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).

- **Results:** The District did not have its sexual harassment policy and complaint procedure posted in a conspicuous location on the District’s premise. The District does not have a website.

28. 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 it includes the applicable requirements of R.S. 42:344:

- a) Number and percentage of public servants in the agency who have completed the training requirements;

- **Results:** The District did not prepare an annual sexual harassment report for the current fiscal year ended December 31, 2021.
- b) Number of sexual harassment complaints received by the agency;
- **Results** The District did not prepare an annual sexual harassment report for the current fiscal year ended December 31, 2021.
- c) Number of complaints which resulted in a finding that sexual harassment occurred;
- **Results:** The District did not prepare an annual sexual harassment report for the current fiscal year ended December 31, 2021.
- d) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
- **Results:** The District did not prepare an annual sexual harassment report for the current fiscal year ended December 31, 2021.
- e) Amount of time it took to resolve each complaint.
- **Results:** The District did not prepare an annual sexual harassment report for the current fiscal year ended December 31, 2021.



ADMINISTRATOR
DENNIS CROCKER

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

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Email: dcrocker@tangipahoa.org

SECRETARY
KRISTEN PECARARO

TREASURER
VIRGINIA BAKER

June 28, 2022

Ms. Laura Gray, CPA
P.O. Box 1391
Amite, LA 70422

*RE: Statewide Agreed-Upon Procedures Report
Tangipahoa Parish Rural Fire Protection District No. 2
As of and for the Year Ended December 31, 2021
Response to Agreed-Upon Procedures Findings*

Dear Ms. Gray,

In your Statewide Agreed-Upon Procedures Report of the Tangipahoa Parish Rural Fire Protection District No. 2 ("Fire District") for the year ended December 31, 2021, you reported several findings related to the Fire District's policies and procedures. The following contains our responses to your findings:

Procedure No. 12(b) – Credit Cards – Late Fee Paid

It is the policy of the Fire District to pay all credit card statements well in advance of the due date so that no late charges are assessed. The item you selected in which a late fee was paid appears to be an isolated instance and not representative of the stated policy of the Fire District. In the future all credit card statements will be paid well in advance of the due date so that no late charges are assessed.

Procedure No. 13 – Credit Cards – Written Documentation of the Business/Public Purpose

It is the policy of the Fire District to require a purchase requisition signed by the Fire Chief of the department requesting the purchase and a purchase order approved by the Fire Administrator for all purchases by the Fire District. The item you selected in which a business/public purposes was not stated in writing on the invoice appears to be an isolated instance and not representative of the stated policy of the Fire District. In the future all credit card purchases will be supported by a purchase order approved by the Fire Administrator or will indicate the Business/Public Purpose on the face of the invoice.

Procedure No. 26 – Sexual Harassment Training

The Fire District has no paid employees. The two persons that perform services for the Fire District are employees of Tangipahoa Parish Government, covered under the Tangipahoa Parish Government personnel policies and procedures with the Fire District reimbursing Tangipahoa Parish Government for

COMMISSIONERS

TRENT FORREST
EMILE "JOEY" MAYBAUX

JOHN INGRAFFIA
LIONELL WELLS

LOUIS JOSEPH
DAVID P. VIAL

CARLO S. BRUNO
BRIGETTE HYDE

H.G. "BUDDY" RIDGEL
KIM LANDRY COATES

the cost of their salaries and benefits. In the future the Fire District will require both employees to received one hour of sexual harassment training during the calendar year.

Procedure No. 27 – Posting of Sexual Harassment Policy

The Fire District has no paid employees. The two persons that perform services for the Fire District are employees of Tangipahoa Parish Government, covered under the Tangipahoa Parish Government personnel policies and procedures with the Fire District reimbursing Tangipahoa Parish Government for the cost of their salaries and benefits. In the future the Fire District will obtain a copy of the Tangipahoa Parish Government Sexual Harassment Policy and Complaint procedure and will post it in a conspicuous plan in the Fire District's office.

Procedure No. 28 – Sexual Harassment Policy Report

The Fire District has no paid employees. The two persons that perform services for the Fire District are employees of Tangipahoa Parish Government, covered under the Tangipahoa Parish Government personnel policies and procedures with the Fire District reimbursing Tangipahoa Parish Government for the cost of their salaries and benefits. In the future the Fire District will prepare a Sexual Harassment report on an annual basis prior to February 1st of each year.

Respectfully submitted,

Tangipahoa Parish Rural Fire Protection District No. 2



Dennis Crocker, Fire Administrator