

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, 2020

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

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

Report on the Financial Statements

I have audited the accompanying financial statements of the governmental activities, the general fund, and the aggregate discretely presented component units of the Tangipahoa Parish Rural Fire Protection District No. 2 (the District) a component unit of the Tangipahoa Parish Government, Amite, Louisiana, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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

Opinions

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the general fund, and the aggregate discretely presented component units of the Tangipahoa Parish Rural Fire Protection District No. 2 of Amite City, Louisiana, as of December 31, 2020, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison schedules on page 39 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, I have also issued my report dated June 25, 2021 on my consideration of the Town's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.


Certified Public Accountant

June 25, 2021

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, 2020

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, 2020. This Management Discussion and Analysis is designed to provide an objective and easy to read analysis of the District's financial activities based on currently known facts, decisions, or conditions. It is designed to be read in conjunction with the financial statements and to provide readers with a broad overview of District finances. It is also intended to provide readers with an analysis of the short and long-term activities of the District based on information presented in this financial report, as well as fiscal policies that have been adopted by the District. Specifically, this section is designed to assist the reader in focusing on significant financial issues, provide an overview of the District's financial activity, identify changes in the District's financial position, identify any material deviations from the financial plan (the approved budget), and identify individual fund issues or concerns.

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

Financial Highlights

- Total assets for the year were \$17,223,058 as of December 31, 2020, and exceeded liabilities in the amount of \$14,685,845 (i.e., net position). Of the total net position, the unrestricted amount was a positive \$6,293,185 and the remaining value of \$8,392,660 was invested in capital assets.
- The District's total revenues for the year increased from the prior year by 7.31% from \$7,019,324 to \$7,532,714.
- Expenses for the year decreased by \$242,329, or 3.34%, from the prior year from \$7,257,147 to \$7,014,818.
- Total governmental net position increased by \$582,464 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, 2020

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

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

Government-Wide Financial Analysis

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

Condensed Statement of Net Position

	2020	2019	\$ Change	% Change
Assets:				
Current and Other Assets	\$ 8,214,637	\$ 7,410,796	\$ 803,841	10.85%
Land	499,250	499,250	-	0.00%
Capital Assets, Net	8,509,171	7,914,935	594,236	7.51%
Total Assets	<u>\$ 17,223,058</u>	<u>\$ 15,824,981</u>	<u>\$ 1,398,077</u>	8.83%
Liabilities:				
Current Liabilities	\$ 2,064,966	\$ 1,618,653	\$ 446,313	27.57%
Long-Term Debt	472,247	102,947	369,300	358.73%
Total Liabilities	<u>\$ 2,537,213</u>	<u>\$ 1,721,600</u>	<u>\$ 815,613</u>	47.38%
Net Position:				
Net Investment in Capital Assets	\$ 8,392,660	\$ 8,275,008	\$ 117,652	1.42%
Unrestricted Net Position	6,293,185	5,828,373	464,812	7.97%
Total Net Position	<u>\$ 14,685,845</u>	<u>\$ 14,103,381</u>	<u>\$ 582,464</u>	4.13%

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, 2020

The District's assets exceeded its liabilities at the close of the most recent fiscal year by \$14,685,845 (net position). The net position of the District's governmental activities increased by \$582,464 primarily as a result of increased revenues in the current year.

The largest portion of the District's net position (57.15%) 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

	2020	2019	\$ Change	% Change
Revenues:				
Program Revenues	\$ 505,168	\$ 286,404	\$ 218,764	76.38%
General Revenues	<u>7,027,546</u>	<u>6,732,920</u>	<u>294,626</u>	4.38%
Total Revenues	7,532,714	7,019,324	513,390	7.31%
Expenses:				
Governmental Activities	<u>7,014,818</u>	<u>7,257,147</u>	<u>(242,329)</u>	-3.34%
Total Expenses	<u>7,014,818</u>	<u>7,257,147</u>	<u>(242,329)</u>	-3.34%
Change in Net Position	517,896	(237,823)	755,719	-317.77%
Net Position:				
Beginning of the Year	14,103,381	14,411,743	(308,362)	-2.14%
Prior Period Adjustment	<u>64,568</u>	<u>(70,539)</u>	<u>135,107</u>	-191.54%
Beginning - Restated	<u>14,167,949</u>	<u>14,341,204</u>	<u>(173,255)</u>	-1.21%
Net Position - End of Year	<u>\$ 14,685,845</u>	<u>\$ 14,103,381</u>	<u>\$ 582,464</u>	4.13%

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 \$513,390, primarily due to an increase in property tax revenues over the prior year. Total expenses decreased by \$242,329 from the prior year. Expenses for governmental activities decreased due to an increased amount of capital purchases that were recorded on the Statement of Net Position 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
(A Component Unit of the Tangipahoa Parish Government)

Amite, Louisiana

Management's Discussion and Analysis (Continued)
For the Year Ended December 31, 2020

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 \$600,937. Actual expenditures exceeded budgeted expenditures by \$707,454.

Capital Asset and Debt Administration

Capital Assets

The District's investment in capital assets for its governmental activities as of December 31, 2020, amounts to \$9,008,421 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, fire trucks, and equipment.

The majority of the additions for the year were for the purchase of 2 new fire trucks, portable air packs, and approximately 150 radios. The remaining purchases were generally for small equipment. Additional information on the District's capital assets can be found in the footnotes of this report.

Long-Term Debt

At the end of the current fiscal year, the District had total outstanding debt of \$615,761. 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 2021, the District budgeted revenues and expenditures to remain consistent with regards to 2020. 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, 2020

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, 2020

	Primary Governmental Activities	Component Units
Assets		
Cash and Cash Equivalents	\$ 1,494,377	\$ 4,656,115
Investments	1,058	310,866
Ad Valorem Taxes Receivable, Net	6,018,562	-
State Revenue Sharing Receivable	481,224	-
Other Receivables	1,500	-
Due from Other Governments	-	1,071,681
Due from FEMA	216,640	-
Note Receivable - Due from Independence VFD	-	76,732
Note Receivable - Due from Loranger VFD	-	178,810
Prepaid Assets	1,276	77,122
Capital Assets Not Depreciated:		
Land	499,250	51,880
Capital Assets Being Depreciated, Net	8,509,171	788,076
Total Assets	<u>17,223,058</u>	<u>7,211,282</u>
Liabilities		
Accounts Payable	21,937	259,478
Payroll & Related Liabilities Payable	-	95,636
Ad Valorem Tax Deduction Payable	238,031	-
Due to Volunteer Fire Departments	1,661,484	-
Non-Current Liabilities:		
Due Within One Year	143,514	39,747
Due in More Than One Year	472,247	215,795
Total Liabilities	<u>2,537,213</u>	<u>610,656</u>
Net Position		
Net Investment in Capital Assets	8,392,660	839,956
Restricted for:		
Other Purposes	-	5,760,670
Unrestricted	6,293,185	-
Total Net Position	<u>\$ 14,685,845</u>	<u>\$ 6,600,626</u>

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

Tangipahoa Parish Rural Fire Protection District No. 2
(A Component Unit of the Tangipahoa Parish Government)
Amite, Louisiana
Statement of Activities
For the Year Ended December 31, 2020

Exhibit B

					Net (Expenses) Revenues and Changes in Net Position	
					Primary Government	Component Units
Functions / Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Governmental Activities
Primary Government:						
Administration	\$ 294,897	\$ -	\$ -	\$ -	\$ (294,897)	\$ -
Pension Fund Mandate Deduction	238,031	-	-	-	(238,031)	-
Fire Contract Payments	4,744,404	-	-	-	(4,744,404)	-
2% Fire Insurance Rebate Payments	335,270	-	-	-	(335,270)	-
Municipal Fire Insurance Protection	288,528	288,528	-	-	-	-
FEMA Payments to Volunteers	216,640	-	-	216,640	-	-
Loss on Sale of Asset	1,122	-	-	-	(1,122)	-
Debt Service Interest	1,408	-	-	-	(1,408)	-
Depreciation Expense	894,518	-	-	-	(894,518)	-
Total Primary Government	<u>\$ 7,014,818</u>	<u>\$ 288,528</u>	<u>\$ -</u>	<u>\$ 216,640</u>	<u>(6,509,650)</u>	<u>-</u>
Component Units:						
Fire Protection Services	<u>\$ 5,276,575</u>	<u>\$ 258,500</u>	<u>\$ 89,192</u>	<u>\$ -</u>	<u>-</u>	<u>(4,928,883)</u>
Total Component Units	<u>\$ 5,276,575</u>	<u>\$ 258,500</u>	<u>\$ 89,192</u>	<u>\$ -</u>	<u>-</u>	<u>(4,928,883)</u>
General Revenues:						
Ad Valorem Taxes					6,187,857	-
State Revenue Sharing					481,224	-
2% Fire Insurance Rebate					335,270	-
Fire Contract Revenue					-	4,661,211
State Supplemental Pay					6,000	129,450
Interest Income					17,163	36,490
Miscellaneous Revenue					32	102,203
Total General Revenues					<u>7,027,546</u>	<u>4,929,354</u>
Change in Net Position					517,896	471
Net Position - Beginning of Year, Originally Stated					14,103,381	6,600,886
Prior Period Adjustment					64,568	(731)
Net Position - Beginning of Year, Restated					<u>14,167,949</u>	<u>6,600,155</u>
Net Position - End of Year					<u>\$ 14,685,845</u>	<u>\$ 6,600,626</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, 2020

	General Fund
Assets	
Cash and Cash Equivalents	\$ 1,494,377
Investments	1,058
Ad Valorem Taxes Receivable, Net	6,018,562
State Revenue Sharing Receivable	481,224
Other Receivables	1,500
Due from FEMA	216,640
Prepaid Assets	1,276
Total Assets	<u>\$ 8,214,637</u>
Liabilities and Fund Balance	
Liabilities:	
Accounts Payable	\$ 21,937
Ad Valorem Tax Deduction Payable	238,031
Due to Volunteer Fire Departments	1,661,484
Total Liabilities	<u>1,921,452</u>
Fund Balance:	
Unassigned	<u>6,293,185</u>
Total Fund Balance	<u>6,293,185</u>
Total Liabilities and Fund Balance	<u>\$ 8,214,637</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, 2020

Total Governmental Fund Balance (Exhibit C)	\$ 6,293,185
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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.	9,008,421
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Long-term liabilities are not due and payable in the current period, and therefore, are not reported in the governmental funds:

Current (Short-Term) Obligations	(143,514)
Non-Current (Long-Term) Obligations	<u>(472,247)</u>

Net Position of Governmental Activities (Exhibit A)	<u>\$ 14,685,845</u>
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The accompanying notes are an integral part of these financial statements.

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

Exhibit E

Statement of Governmental Fund Revenues, Expenditures, and
Change in Fund Balance
For the Year Ended December 31, 2020

	General Fund
Revenues:	
Ad Valorem Taxes	\$ 6,187,857
Intergovernmental Revenues:	
State Revenue Sharing	481,224
2% Fire Insurance Rebate	335,270
Interest Income	17,163
State Supplemental Pay	6,000
Municipal Fire Protection Revenue	288,528
FEMA Grant	216,640
Miscellaneous Revenues	32
Total Revenues	<u>7,532,714</u>
Expenditures:	
Public Safety - Fire Protection:	
Administration:	
Salaries & Related Benefits	145,715
Accounting & Audit	85,505
Data Processing	2,195
Fuel	1,996
Insurance	10,888
Office Supplies & Postage	3,363
Legal & Professional	211
Repairs & Maintenance	4,072
Supplies	24,070
Telephone	5,199
Training	50
Miscellaneous	11,633
Pension Fund Mandate Deduction	238,031
Fire Contract Payments	5,746,033
2% Fire Insurance Rebate Payments	335,270
Municipal Fire Insurance Protection	288,528
FEMA Payments to Volunteer Fire Departments	216,640
Debt Service - Principal	7,103
Debt Service - Interest	1,408
Capital Outlay	517,374
Total Expenditures	<u>7,645,284</u>
Excess of Revenues over Expenditures	(112,570)
Other Financing Sources (Uses):	
Issuance of Debt - Capital Leases	512,814
Total Other Financing Sources (Uses)	<u>512,814</u>
Net Change in Fund Balance	400,244
Fund Balance - Beginning of the Year, Originally Stated	5,828,373
Prior Period Adjustment	64,568
Fund Balance - Beginning of the Year, Restated	<u>5,892,941</u>
Fund Balance - End of the Year	<u>\$ 6,293,185</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 F

Amite, Louisiana

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, 2020

Net Change in Fund Balance, Governmental Fund (Exhibit E)	\$	400,244
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Amounts reported for governmental activities in the statement of activities are different because:

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

Capital Outlay		1,489,876
Depreciation Expense		(894,518)

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

(1,122)

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

New Debt - Capital Leases		(512,814)
Repayments of Long-Term Debt		<u>36,230</u>

Change in Net Position of Governmental Activities (Exhibit B)	\$	<u>517,896</u>
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The accompanying notes are an integral part of these financial statements.

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

Exhibit G

Combining Statement of Net Position – Discretely Presented Component Units
December 31, 2020

	Hammond Rural Fire Dept., Inc.	Husser Vol. Fire Dept., Inc.	Independence Vol. Fire Dept., Inc.	Loranger Vol. Fire Dept., Inc.	Manchac Vol. Fire Dept., Inc.	Ponchatoula Vol. Fire Dept., Inc.	Wilmer Vol. Fire Dept., Inc.	Eighth Ward Vol. Fire Dept., Inc.	Total
Assets									
Cash and Cash Equivalents	\$ 1,216,443	\$ 104,552	\$ 243,733	\$ 5,352	\$ 1,006,703	\$ 1,458,281	\$ 249,595	\$ 371,456	\$ 4,656,115
Investments	190,509	120,069	8	19	101	131	16	13	310,866
Due from Other Governments	281,452	93,817	104,642	102,838	21,650	252,585	102,838	111,859	1,071,681
Due from Independence VFD	-	-	-	-	76,732	-	-	-	76,732
Due from Loranger VFD	-	-	-	-	-	178,810	-	-	178,810
Prepaid Assets	4,531	8,321	6,088	6,914	10,917	17,462	7,288	15,601	77,122
Capital Assets, Net	50,981	-	13,416	-	-	61,926	3,489	710,144	839,956
Total Assets	\$ 1,743,916	\$ 326,759	\$ 367,887	\$ 115,123	\$ 1,116,103	\$ 1,969,195	\$ 363,226	\$ 1,209,073	\$ 7,211,282
Liabilities									
Accounts Payable	\$ 99,016	\$ 12,911	\$ 10,942	\$ 22,162	\$ 6,466	\$ 61,685	\$ 31,609	\$ 14,687	\$ 259,478
Payroll & Related									
Liabilities Payable	21,133	5,810	22,188	5,253	-	16,239	13,345	11,668	95,636
Current Obligations	-	-	10,001	29,746	-	-	-	-	39,747
Non-Current Obligations	-	-	66,731	149,064	-	-	-	-	215,795
Total Liabilities	\$ 120,149	\$ 18,721	\$ 109,862	\$ 206,225	\$ 6,466	\$ 77,924	\$ 44,954	\$ 26,355	\$ 610,656
Net Position									
Net Investment in Capital Assets	\$ 50,981	\$ -	\$ 13,416	\$ -	\$ -	\$ 61,926	\$ 3,489	\$ 710,144	\$ 839,956
Restricted for:									
Other Purposes	1,572,786	308,038	244,609	(91,102)	1,109,637	1,829,345	314,783	472,574	5,760,670
Total Net Position	\$ 1,623,767	\$ 308,038	\$ 258,025	\$ (91,102)	\$ 1,109,637	\$ 1,891,271	\$ 318,272	\$ 1,182,718	\$ 6,600,626

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

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

Exhibit H

Combining Statement of Activities – Discretely Presented Component Units
For the Year Ended December 31, 2020

	Hammond Rural Fire Dept., Inc.	Husser Vol. Fire Dept., Inc.	Independence Vol. Fire Dept., Inc.	Loranger Vol. Fire Dept., Inc.	Manchac Vol. Fire Dept., Inc.	Ponchatoula Vol. Fire Dept., Inc.	Wilmer Vol. Fire Dept., Inc.	Eighth Ward Vol. Fire Dept., Inc.	Total
Expenses:									
Salaries & Related Benefits	\$ 663,618	\$ 230,236	\$ 492,189	\$ 301,888	\$ 32,339	\$ 477,039	\$ 242,646	\$ 279,406	\$ 2,719,361
Depreciation	864	-	19,210	-	-	24,088	358	48,885	93,405
Fire Service Contract	325,000	-	-	33,930	-	-	33,930	-	392,860
Fuel	11,272	6,938	9,779	8,203	3,037	18,564	5,821	14,669	78,283
Insurance	76,409	49,826	48,059	33,870	18,240	88,939	30,728	46,011	392,082
Legal & Professional	1,614	3,987	7,429	3,750	1,723	4,282	6,753	13,503	43,041
Office Supplies & Postage	5,204	10,613	4,864	3,379	-	7,141	4,193	2,595	37,989
Station Supplies	29,670	10,292	17,479	6,298	2,268	39,092	9,070	10,555	124,724
Repairs & Maintenance	28,357	37,813	53,535	33,510	47,561	49,205	45,939	33,597	329,517
Telephone & Utilities	19,163	23,435	10,517	15,838	10,532	43,567	14,271	23,456	160,779
Training	1,396	3,949	5,028	3,603	-	1,557	300	5,012	20,845
Uniforms	2,322	-	4,454	2,652	-	7,510	2,576	-	19,514
Miscellaneous	12,289	5,185	11,856	5,480	801	20,675	6,551	16,153	78,990
2% Fire Rebate Payments	65,378	21,793	-	-	-	58,672	-	-	145,843
Debt Service Payments	6,554	-	16,407	9,273	-	12,932	-	-	45,166
Equipment	374,312	7,965	13,302	-	16,412	38,902	139,828	3,455	594,176
Total Expenses	1,623,422	412,032	714,108	461,674	132,913	892,165	542,964	497,297	5,276,575
Program Revenues:									
Charges for Services	-	-	258,500	-	-	-	-	-	258,500
Operating Grants	-	-	-	-	-	-	-	89,192	89,192
Net Program (Expenses) Revenues	(1,623,422)	(412,032)	(455,608)	(461,674)	(132,913)	(892,165)	(542,964)	(408,105)	(4,928,883)
General Revenues:									
Ad Valorem Taxes	1,058,623	352,874	393,590	386,804	81,433	950,046	386,804	420,735	4,030,909
State Revenue Sharing	61,854	20,618	22,997	22,601	4,758	55,510	22,601	24,583	235,522
2% Fire Insurance Rebate	130,755	43,585	24,307	23,888	5,029	117,344	23,888	25,984	394,780
Interest Income	4,633	990	1,363	265	8,584	15,292	1,518	3,845	36,490
State Supplemental Pay	41,000	-	27,500	35,000	6,000	10,500	9,450	-	129,450
Miscellaneous Revenue	36,891	7,493	4,424	9,249	-	30,839	3,773	9,534	102,203
Total General Revenues	1,333,756	425,560	474,181	477,807	105,804	1,179,531	448,034	484,681	4,929,354
Change in Net Position	(289,666)	13,528	18,573	16,133	(27,109)	287,366	(94,930)	76,576	471
Net Position:									
Beginning of the Year, Original	1,914,164	294,510	239,452	(107,235)	1,136,746	1,603,905	413,202	1,106,142	6,600,886
Prior Period Adjustment	(731)	-	-	-	-	-	-	-	(731)
Beginning of the Year, Restated	1,913,433	294,510	239,452	(107,235)	1,136,746	1,603,905	413,202	1,106,142	6,600,155
End of the Year	\$ 1,623,767	\$ 308,038	\$ 258,025	\$ (91,102)	\$ 1,109,637	\$ 1,891,271	\$ 318,272	\$ 1,182,718	\$ 6,600,626

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, 2020

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)

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Notes to Financial Statements (Continued)
For the Year Ended December 31, 2020

B. Discretely Presented Component Units

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

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

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

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

C. Fund Accounting

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

Governmental Funds

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

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

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

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Notes to Financial Statements (Continued)
For the Year Ended December 31, 2020

D. Measurement Focus / Basis of Accounting

Basic Financial Statements – Government-Wide Financial Statements

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

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

The District does not allocate indirect expenses.

Basic Financial Statements – Governmental Funds

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

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

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

Tangipahoa Parish Rural Fire Protection District No. 2
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Notes to Financial Statements (Continued)
For the Year Ended December 31, 2020

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, 2020. 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 2020 budget was introduced on October 28, 2019.
2. A summary of the proposed budget is published and the public notified that the proposed budget is available for public inspection. At the same time, a public hearing is called. The notice of public hearing was published on November 7, 2019.
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 2020 budget was held on November 25, 2019.
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 2020 budget was adopted on November 25, 2019.
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 December 14, 2020.
7. All budgetary appropriations lapse at the end of each year. Formal budgetary integration is not employed.

Tangipahoa Parish Rural Fire Protection District No. 2
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Notes to Financial Statements (Continued)
For the Year Ended December 31, 2020

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 2020, 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 \$6,141,390. At December 31, 2020, the ad valorem tax receivable was \$6,018,562. Ad valorem taxes receivable at December 31, 2020, are recorded net of a 2.0% allowance for uncollectible taxes of \$122,828.

State Revenue Sharing

For the year 2020, the District received \$481,224 in Louisiana State Revenue Sharing. At December 31, 2020, state revenue sharing receivable totaled \$481,224. The District considers this receivable fully collectible and, therefore, has not recorded an allowance for uncollectible state revenue sharing revenues.

Tangipahoa Parish Rural Fire Protection District No. 2
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Notes to Financial Statements (Continued)
For the Year Ended December 31, 2020

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, 2020, 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, 2020

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.

Tangipahoa Parish Rural Fire Protection District No. 2
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Notes to Financial Statements (Continued)
For the Year Ended December 31, 2020

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, 2020, the District did not have any nonspendable, restricted, committed, or assigned fund balances.

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 did not comply with the Louisiana Local Government Budget Act in adopting its budget for the year ended December 31, 2020.

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, 2020, the District's general fund did not have a deficit fund equity. As of December 31, 2020, the Loranger Volunteer Fire Department, Inc. (a component unit) had a deficit net position of (\$91,102).

3. Cash, Cash Equivalents, and Investments

A. Primary Government

As reflected on Exhibit A, the District has cash and cash equivalents totaling \$1,494,377 and investments totaling \$1,058 at December 31, 2020. 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.

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

For the Year Ended December 31, 2020

The following is a summary of cash and investments at December 31, 2020, 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	1,244,406
Uninsured and Uncollateralized	-
Total Deposits	<u>\$ 1,494,406</u>

Even though the pledged securities are not held in the entity's name, LRS 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within ten days of being notified by the District that the fiscal agent has failed to pay deposited funds upon demand. Per GASB Statement 3, as amended by GASB 40, the District's deposits are exposed to custodial credit risk since the collateral pledged by the fiscal agent is not held in the District's name. Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a deposit policy for custodial risk. As of December 31, 2020, 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, 2020, 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	<u>\$ 1,058</u>	<u>\$ 1,058</u>

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

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

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Notes to Financial Statements (Continued)
For the Year Ended December 31, 2020

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

- Credit Risk: LAMP is rated AAAm by Standard & Poor's.
- Custodial Credit Risk: LAMP participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.
- Concentration of Credit Risk: Pooled investments are excluded from the 5% disclosure requirement.
- Interest Rate Risk: LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP prepares its own interest rate risk disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 90 days and consists of no securities with a maturity in excess of 397 days or 762 days for U.S. Government floating / variable rate investments. The WAM for LAMP's total investments was 92 days as of December 31, 2020.
- 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.

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, 2020

B. Discretely Presented Component Units

As reflected on Exhibit G, the discretely presented component units had cash and cash equivalents totaling \$4,656,114 and investments totaling \$310,866 at December 31, 2020.

At December 31, 2020, the discretely presented component units' investment balances are as follows:

	<u>Reported Amount</u>	<u>Fair Value</u>
Louisiana Asset Management Pool:		
Fire Department Fund	\$ 429	\$ 429
Certificates of Deposit:		
Hammond Rural Fire Department, Inc.	190,385	190,385
Husser Volunteer Fire Department, Inc.	<u>120,052</u>	<u>120,052</u>
Total	<u>\$ 310,866</u>	<u>\$ 310,866</u>

At December 31, 2020, the discretely presented component units had \$4,689,079 in total deposits (collected bank balances). \$1,370,506 of deposits are in their separate accounts, with \$1,304,275 being secured by FDIC insurance. The remaining \$66,232 is uninsured but collateralized with securities held by the District's custodial bank in the fiscal agent bank.

4. Custodial Credit Risk – Deposits

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

The District maintains three separate bank accounts as follows:

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

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

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

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, 2020

As of December 31, 2020, the District's total bank balances for all three accounts was \$6,463,937. Of this amount, \$6,213,937 was exposed to custodial credit risk. This \$6,213,937 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 2020 and received in 2021 as follows:

Property Tax Receivable	\$ 6,018,562
State Revenue Sharing Receivable	481,224
Other Receivable	1,500
Due from FEMA	<u>216,640</u>
Receivables at December 31, 2020, Net	<u>\$ 6,717,926</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.

B. Discretely Presented Component Units

The following is a summary of receivables at December 31, 2020, for component units:

Due from Rural Fire Protection District No. 2	\$ 1,071,681
Other Receivables	<u>255,542</u>
Receivables at December 31, 2020, Net	<u>\$ 1,327,223</u>

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

Amite, Louisiana

Notes to Financial Statements (Continued)

For the Year Ended December 31, 2020

6. Capital Assets

A. Primary Government

Capital assets and depreciation activity as of and for the year ended December 31, 2020, are as follows:

	Balance 12/31/19	Additions	Deletions	Balance 12/31/20
Capital Assets Not Depreciated:				
Land	\$ 499,250	\$ -	\$ -	\$ 499,250
Total Capital Assets Not Depreciated	499,250	-	-	499,250
Other Capital Assets:				
Buildings	5,145,164	6,405	-	5,151,569
Equipment / Vehicle	14,179,197	1,483,471	4,146	15,658,522
Total Other Capital Assets	19,324,361	1,489,876	4,146	20,810,091
Less Accumulated Depreciation:				
Buildings	(1,384,304)	(134,473)	-	(1,518,777)
Equipment / Vehicle	(10,025,122)	(760,045)	(3,024)	(10,782,143)
Total Accumulated Depreciation	(11,409,426)	(894,518)	(3,024)	(12,300,920)
Total Other Capital Assets, Net	7,914,935	595,358	1,122	8,509,171
Total	\$ 8,414,185	\$ 595,358	\$ 1,122	\$ 9,008,421

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

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, 2020

B. Discretely Presented Component Units

Capital assets and depreciation activity as of and for the year ended December 31, 2020, are as follows:

	Balance 12/31/19	Additions	Deletions	Balance 12/31/20
Eighth Ward Volunteer Fire Department:				
Land	\$ 51,880	\$ -	\$ -	\$ 51,880
Buildings	672,231	-	-	672,231
Equipment	483,825	-	-	483,825
Total	1,207,936	-	-	1,207,936
Less: Accumulated Depreciation	(448,907)	(48,885)	-	(497,792)
Total	<u>\$ 759,029</u>	<u>\$ (48,885)</u>	<u>\$ -</u>	<u>\$ 710,144</u>
Hammond Volunteer Fire Department:				
Equipment	\$ -	51,845	\$ -	\$ 51,845
Less: Accumulated Depreciation	-	(864)	-	(864)
Total	<u>\$ -</u>	<u>\$ 50,981</u>	<u>\$ -</u>	<u>\$ 50,981</u>
Independence Volunteer Fire Department:				
Equipment	\$ 201,087	\$ -	\$ -	\$ 201,087
Vehicles	16,798	-	-	16,798
Less: Accumulated Depreciation	(185,259)	(19,210)	-	(204,469)
Total	<u>\$ 32,626</u>	<u>\$ (19,210)</u>	<u>\$ -</u>	<u>\$ 13,416</u>
Ponchatoula Volunteer Fire Department:				
Equipment	\$ 192,461	-	\$ -	\$ 192,461
Less: Accumulated Depreciation	(106,447)	(24,088)	-	(130,535)
Total	<u>\$ 86,014</u>	<u>\$ (24,088)</u>	<u>\$ -</u>	<u>\$ 61,926</u>
Wilmer Volunteer Fire Department:				
Vehicles	\$ 157,758	\$ -	\$ -	\$ 157,758
Equipment	4,294	-	-	4,294
Less: Accumulated Depreciation	(158,205)	(358)	-	(158,563)
Total	<u>\$ 3,847</u>	<u>\$ (358)</u>	<u>\$ -</u>	<u>\$ 3,489</u>
Total Component Units Capital Assets	\$ 1,780,334	\$ 51,845	\$ -	\$ 1,832,179
Less: Total Accumulated Depreciation	(898,818)	(93,405)	-	(992,223)
Total Component Units Capital Assets, Net	<u>\$ 881,516</u>	<u>\$ (41,560)</u>	<u>\$ -</u>	<u>\$ 839,956</u>

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

Amite, Louisiana

Notes to Financial Statements (Continued)
For the Year Ended December 31, 2020

7. Long-Term Debt

A. Primary Government

The following is a summary of debt transactions of the District for the year ended December 31, 2020:

<u>Type of Debt</u>	<u>Balance</u> <u>01/01/20</u>	<u>Debt</u> <u>Issued</u>	<u>Debt</u> <u>Retired</u>	<u>Balance</u> <u>12/31/20</u>	<u>Due In</u> <u>One Year</u>
Capital Leases:					
Ford F-150 XL 4x4 (3)	\$ 53,084	\$ -	\$ 17,457	\$ 35,627	\$ 18,222
2019 Ford F-150 XLT	32,675	-	7,103	25,572	7,450
2019 Ford F-150 XL	25,611	-	5,450	20,161	5,716
2019 Ford F-350 XL	27,807	-	6,220	21,587	6,498
Motorola Radios	-	512,814	-	512,814	105,628
Total	<u>\$ 139,177</u>	<u>\$ 512,814</u>	<u>\$ 36,230</u>	<u>\$ 615,761</u>	<u>\$ 143,514</u>

On October 19, 2017, the District entered into a capital lease agreement at a fixed interest rate of 4.300% with Enterprise FM Trust for the purchase of three Ford F-150 trucks, totaling \$89,514, with accumulated depreciation of \$56,692, for use by the Independence Volunteer Fire Department, Inc. and the Ponchatoula Volunteer Fire Department, Inc. The lease obligation is effective during the period October 19, 2017, through November 19, 2022. Monthly payments of \$1,616.49 began on January 19, 2018. Total payments during 2020 totaled \$17,457 of principal and \$1,941 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 \$14,773. 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 2020 totaled \$7,103 of principal and \$1,408 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 \$7,222, 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 2020 totaled \$5,450 of principal and \$1,104 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 \$13,458, 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 2020 totaled \$6,220 of principal and \$1,092 of interest.

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

Amite, Louisiana

Notes to Financial Statements (Continued)

For the Year Ended December 31, 2020

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 2020 totaled \$-0- of principal and \$-0- of interest. Accumulated depreciation on these radios as of December 31, 2020 totaled \$21,338

The annual requirements to amortize all debt outstanding for the primary government at December 31, 2020, including interest payments of \$22,218 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	
2021	\$ 19,398	\$ 8,511	\$ 6,554	\$ 7,312	\$ 105,628	\$ 147,403
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	-	-	-	-	105,628	105,628
	37,179	27,660	21,846	23,154	528,140	637,979
Less: Interest Portion	1,552	2,088	1,685	1,567	15,326	22,218
	<u>\$ 35,627</u>	<u>\$ 25,572</u>	<u>\$ 20,161</u>	<u>\$ 21,587</u>	<u>\$ 512,814</u>	<u>\$ 615,761</u>

B. Discretely Presented Component Units

The following is a summary of debt transactions of the discretely presented component units for the year ended December 31, 2020:

Type of Debt	Balance 01/01/20	Debt Issued	Debt Retired	Balance 12/31/20	Due In One Year
Notes Payable:					
Loranger VFD	\$ 202,023	\$ -	\$ 23,213	\$ 178,810	\$ 29,746
Independence VFD	86,439	-	9,707	76,732	10,001
Total	<u>\$ 288,462</u>	<u>\$ -</u>	<u>\$ 32,920</u>	<u>\$ 255,542</u>	<u>\$ 39,747</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 "Due to Ponchatoula VFD" and corresponding note receivable is classified as "Due from Loranger VFD," both on the Combining Statement of Net Position – Discretely Presented Component Units.

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, 2020

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

The annual requirements to amortize all debt outstanding for the discretely presented component units at December 31, 2020, including interest payments of \$26,303 are as follows:

Year Ended December 31,	Loranger VFD	Indep. VFD	Total
2021	\$ 32,486	\$ 12,335	\$ 44,821
2022	32,486	12,335	44,821
2023	32,486	12,335	44,821
2024	32,486	12,335	44,821
2025	32,486	12,335	44,821
2026 - 2027	33,070	24,670	57,740
	195,500	86,345	281,845
Less: Interest Portion	16,690	9,613	26,303
	<u>\$ 178,810</u>	<u>\$ 76,732</u>	<u>\$ 255,542</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, 2020, the State paid \$6,000 in supplemental salary payments to the Fire Administrator of the District.

For the fiscal year ended December 31, 2020, the State paid supplemental salaries to the component units' employees in the amount of \$129,450.

9. Contingent Liabilities

The District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees, and natural disasters. These risks of loss are covered by a comprehensive commercial insurance policy and workers compensation insurance. Claims resulting from these risks have historically not exceeded insurance coverage. Therefore, no accrual for any loss contingency has been made in the financial statements.

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

Notes to Financial Statements (Continued)
For the Year Ended December 31, 2020

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)	-
Brigette Delatte Hyde, Board Member (Parish Council District 9)	-
Kim Landry Coates, Board Member (Parish Council District 10)	-
Total	<u>\$ -</u>

11. Tax Abatements

The Louisiana Industrial Ad Valorem Tax Exemption (ITEP) program (Louisiana Administrative Code, Title 13, Chapter 5) is a state incentive program which offers attractive tax incentive for manufacturers within the state. The program abates, for up to 10 years, local property taxes (ad valorem) on a manufacturer's new investment and annual capitalized additions related to the manufacturing site. This exemption is granted per contract with the Louisiana Department of Economic Development and will specify the buildings and / or personal property items covered by the exemption. The ITEP program is only available for activities related to manufacturing. For the 2020 calendar year, \$32,218 of the District's ad valorem tax revenues were abated as a result of this program.

12. Prior Period Adjustment

A. Primary Government

During the current year, an adjustment of \$64,568 was made to the General Fund to adjust fund balance for ad valorem PILOT revenues not recorded as revenues in the prior year.

Beginning Fund Balance in the General Fund was changed from \$5,828,373 to \$5,892,941 as a result of this prior period adjustment. Beginning Net Position for Governmental Activities was changed from \$14,103,381 to \$14,167,949 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 (Concluded)

For the Year Ended December 31, 2019

B. Discretely Presented Component Units

During the current year, an adjustment of (\$731) was made to the Hammond Volunteer Fire Department, Inc. to adjust cash balances to actual.

Beginning Net Position for the Hammond Volunteer Fire Department, Inc. was changed from \$1,914,164 to \$1,913,433 as a result of this prior period adjustment.

13. Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, June 25, 2021, 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)

Schedule 1

Amite, Louisiana

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2020

	Original Budget	Final Budget	Actual Amounts - Budgetary Basis	Variance with Final Budget Favorable / (Unfavorable)
Revenues:				
Ad Valorem Taxes	\$ 5,751,476	\$ 5,814,568	\$ 6,187,857	\$ 373,289
Intergovernmental Revenues:				
State Revenue Sharing	466,000	475,800	481,224	5,424
2% Fire Insurance Rebate	331,000	335,000	335,270	270
Interest Income	53,400	17,600	17,163	(437)
State Supplemental Pay	-	-	6,000	6,000
Municipal Fire Protection Revenue	282,900	282,809	288,528	5,719
FEMA Grant	-	-	216,640	216,640
Miscellaneous Revenues	6,000	6,000	32	(5,968)
Total Revenues	6,890,776	6,931,777	7,532,714	600,937
Expenditures:				
Public Safety - Fire Protection:				
Administration:				
Salaries & Related Benefits	123,000	130,929	145,715	(14,786)
Accounting & Audit	89,885	86,985	85,505	1,480
Data Processing	1,250	2,200	2,195	5
Fuel	2,250	2,000	1,996	4
Insurance	9,600	11,000	10,888	112
Office Supplies & Postage	3,250	3,200	3,363	(163)
Legal & Professional	20,000	15,000	211	14,789
Memberships & Dues	500	900	557	343
Repairs & Maintenance	2,500	4,250	4,072	178
Supplies	13,100	21,500	24,070	(2,570)
Swiftwater Program	10,000	6,000	3,063	2,937
Telephone	3,200	4,800	5,199	(399)
Training	6,000	50	50	-
Miscellaneous	13,100	8,500	8,013	487
Pension Fund Mandate Deduction	215,000	225,016	238,031	(13,015)
Fire Contract Payments	6,380,691	6,400,000	5,746,033	653,967
2% Fire Insurance Rebate Payments	-	-	335,270	(335,270)
Municipal Fire Insurance Protection	-	-	288,528	(288,528)
FEMA Payments to Volunteers	-	-	216,640	(216,640)
Debt Service	7,909	8,500	8,511	(11)
Capital Outlay	5,000	7,000	517,374	(510,374)
Total Expenditures	6,906,235	6,937,830	7,645,284	(707,454)
Excess of Revenues over Expenditures	(15,459)	(6,053)	(112,570)	(106,517)
Other Financing Sources (Uses):				
Issuance of Debt - Capital Leases	-	-	512,814	512,814
Total Other Financing Sources (Uses)	-	-	512,814	512,814
Net Change in Fund Balance	(15,459)	(6,053)	400,244	406,297
Fund Balance:				
Beginning of the Year, Originally Stated	5,842,988	5,828,373	5,828,373	-
Prior Period Adjustment	-	-	64,568	64,568
Beginning of the Year, Restated	5,842,988	5,828,373	5,892,941	64,568
End of the Year	\$ 5,827,529	\$ 5,822,320	\$ 6,293,185	\$ 470,865

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, 2020

Agency Head: Dennis Crocker, Fire Administrator

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 81,168
Salary - Supplemental Pay	6,231
Benefits - Insurance	12,259
Benefits - Retirement	9,943
Benefits - Medicare	1,276
Benefits - Worker's Compensation Insurance	192
Vehicle Provided by Government (Taxed on W-2)	717
Cell Phone	364
Dues	150
	<u>\$ 112,300</u>

See auditor's report.

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



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

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

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the general fund information of the Tangipahoa Parish Rural Fire Protection District No 2 (District), Louisiana, as of and for the year ended December 31, 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 25, 2021.

Internal Control Over Financial Reporting

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

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed the following instance of noncompliance that is required to be reported under *Government Auditing Standards*, which is described in the accompanying schedule of findings as item 2020-01.

Purpose of This Report

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

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


Certified Public Accountant

June 25, 2021

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

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

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

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

Amite, Louisiana

Schedule of Current Year Audit Findings

For the Year Ended December 31, 2020

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, 2020, and have issued my report thereon dated June 25, 2021. 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, 2020, 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? Yes X 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, 2020

SECTION II – FINANCIAL STATEMENT FINDINGS

2020-01 Local Government Budget Act Violations

Louisiana Revised Statute 39:1311 requires a political subdivision to amend its operating budget when:

- a. Total actual expenditures and other uses exceed the total budgeted expenditures and uses by five (5) percent or more.

Fund	Budget	Actual	Unfavorable Variance	Percent
Expenditures				
General Fund	\$6,937,830	\$7,645,284	\$707,454	10.20%

The District failed to amend the budget for the General Fund by an adequate amount for the fiscal year ended December 31, 2020.

It is recommended that the District monitor its financial statements at least quarterly and amend the budget as needed.



ADMINISTRATOR
DENNIS CROCKER

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

P. O. BOX 818 • AMITE, LOUISIANA 70422
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SECRETARY
KRISTEN PECARARO

TREASURER
VIRGINIA BAKER

June 25, 2021

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

RE: *Regular Annual Audit of the Tangipahoa Parish Rural
Fire Protection District No. 2
As of and for the Year Ended December 31, 2020
Response to Audit Finding*

Dear Ms. Gray,

In your audit report for the regular annual audit of the Tangipahoa Parish Rural Fire Protection District No. 2 ("Fire District") for the year ended December 31, 2020, you reported a finding related to the Fire District's budget reporting an unfavorable variance of greater than the 5.00% allowed by state law. We agree with your finding and recommendation.

It is the policy of the Fire District is to review a budget versus actual report at every monthly board meeting. The budget was amended on December 14, 2020, to address certain changes in actual revenues and expenditures from the projected amounts in the original budget. On June 21, 2020, the Fire District executed a capital lease with Motorola Solutions to acquire radios for the ten fire departments that serve the Fire District's service area, with the first lease payment being due July 1, 2021. Since no payments were due in 2020 the purchase of these radios utilizing the funding of a capital lease obligation was inadvertently omitted from the amended budget. The annual debt service payments to pay this lease will be included in all future budgets as 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