

*Financial Report*

*Terrebonne Parish Fire District No. 10*  
*Theriot, Louisiana*

*December 31, 2025*

*Financial Report*

*Terrebonne Parish Fire District No. 10*  
*Theriot, Louisiana*

*December 31, 2025*

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Theriot, Louisiana

December 31, 2025

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**FINANCIAL SECTION**

## **INDEPENDENT AUDITOR’S REPORT**

To the Board of Commissioners,  
Terrebonne Parish Fire District No. 10,  
Theriot, Louisiana.

### **Opinion**

We have audited the accompanying financial statements of the governmental activities and General Fund of Terrebonne Parish Fire District No. 10 (the “District”), a component unit of the Terrebonne Parish Consolidated Government, State of Louisiana, as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the District’s basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the General Fund of the District as of December 31, 2025 and the respective changes in net position and budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Responsibilities of Management for the Financial Statements**

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

## Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis on pages 4 through 10 and the schedules on pages 43 through 45 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

## Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's basic financial statements. The accompanying supplementary information on page 46 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. This information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

## Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 28, 2026 on our consideration of Terrebonne Parish Fire District No. 10's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



Certified Public Accountants.

Houma, Louisiana,  
April 28, 2026.

# **MANAGEMENT’S DISCUSSION AND ANALYSIS**

## **Terrebonne Parish Fire District No. 10**

Theriot, Louisiana

December 31, 2025

Management’s Discussion and Analysis of the Terrebonne Parish Fire District No. 10’s (the “District”) financial performance presents a narrative overview and analysis of the District’s financial activities for the year ended December 31, 2025. This document focuses on the current year’s activities, resulting changes, and currently known facts. Please read this document in conjunction with the financial statements which follow in this section.

### **FINANCIAL HIGHLIGHTS**

The District’s assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at the close of fiscal year 2025 by \$1,899,041 (net position), which represents an 11.89% increase from last fiscal year.

The District’s revenue increased \$97,232 (or 8.94%) primarily due to increases in ad valorem tax revenue and in revenue from the Federal Emergency Management Agency (FEMA).

The District’s expenses decreased \$102,425 (or 9.43%) primarily due to a decrease in public safety.

The District did not have a deficit fund balance.

### **OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis is intended to serve as an introduction to the District’s financial statements. The District’s annual report consists of four parts: (1) management’s discussion and analysis (this section); (2) financial statements; (3) supplemental information; and (4) various governmental compliance reports and schedules by certified public accountants and management.

The financial statements include two kinds of statements that present different views of the District.

## **OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)**

### **Government-Wide Financial Statements**

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private sector business. The Statement of Net Position presents information on all of the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating. The Statement of Activities presents information showing how the District's net position changed during each 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 result in cash flows in future fiscal periods. The governmental activity of the District is public safety which is comprised of various programs that include construction, maintenance, and operation of fire protection facilities and the prevention and extinguishment of fires.

### **Fund Financial Statements**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. All the funds of the District are governmental funds.

### **Governmental Funds**

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. Both the Governmental Fund Balance Sheet and the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintained two individual governmental funds during the year. Information is presented separately in the Governmental Fund Balance Sheet and in the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balance for the General Fund, and Debt Service Fund. The District adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget. The governmental fund financial statements can be found on pages 11 through 15 of this report.

**OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)****Notes to the Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found in Exhibit F of this report.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, net position may serve over time as a useful indicator of the District's financial position. As of December 31, 2025, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$1,899,041 a large portion of the District's net position (114.91%) reflects its net investment in capital assets (e.g., land, buildings and improvements; office furniture, fixtures and equipment; trucks, machinery and equipment). Consequently, these assets are not available for future spending.

**Condensed Statements of Net Position**

	<u>December 31,</u>		<u>Dollar</u>
	<u>2025</u>	<u>2024</u>	<u>Change</u>
Current and other assets	\$ 1,530,806	\$ 1,465,534	\$ 65,272
Capital assets	2,182,145	2,344,227	(162,082)
Deferred outflows of resources	949,560	997,798	(48,238)
Total assets and deferred outflows of resources	<u>4,662,511</u>	<u>4,807,559</u>	<u>(145,048)</u>
Current and other liabilities	26,349	53,264	(26,915)
Long-term liabilities	1,258,413	1,493,846	(235,433)
Deferred inflows of resources	1,478,708	1,563,249	(84,541)
Total liabilities and deferred inflows of resources	<u>2,763,470</u>	<u>3,110,359</u>	<u>(346,889)</u>
Net position:			
Net investment in capital assets	2,182,145	2,344,227	(162,082)
Unrestricted	(283,104)	(647,027)	363,923
Total net position	<u>\$ 1,899,041</u>	<u>\$ 1,697,200</u>	<u>\$ 201,841</u>

**GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)****Governmental Activities**

Governmental activities increased the District's net position by \$201,841. Key elements of this increase are as follows:

**Condensed Statements of Activities**

	For the Year Ended		Dollar Change	Total Percent Change
	December 31,			
	2025	2024		
<b>Revenues:</b>				
Taxes	\$ 1,083,446	\$ 997,562	\$ 85,884	8.61%
Intergovernmental:				
FEMA	18,714	-	18,714	100.00%
State revenue sharing	14,160	14,634	(474)	-3.24%
Fire insurance tax	24,918	24,495	423	1.73%
Supplemental pay	37,661	40,984	(3,323)	-8.11%
Miscellaneous	6,479	10,471	(3,992)	-38.12%
Total revenues	<u>1,185,378</u>	<u>1,088,146</u>	<u>97,232</u>	8.94%
<b>Expenses:</b>				
General government	34,568	33,378	1,190	3.57%
Public safety	<u>948,969</u>	<u>1,052,584</u>	<u>(103,615)</u>	-9.84%
Total expenses	<u>983,537</u>	<u>1,085,962</u>	<u>(102,425)</u>	-9.43%
Change in net position	201,841	2,184	199,657	9141.80%
<b>Net position:</b>				
Beginning of year	<u>1,697,200</u>	<u>1,695,016</u>	<u>2,184</u>	0.13%
End of year	<u>\$ 1,899,041</u>	<u>\$ 1,697,200</u>	<u>\$ 201,841</u>	11.89%

In 2025, the District's tax revenue increased due to increased assessments. Intergovernmental revenue increased primarily due to receiving FEMA revenue in the current year. Public safety expenses decreased primarily due to decreases in personal services, due to the District's participation in the Firefighter's Retirement System and other postemployment benefits and adjustments related to benefit balances in the current year.

## **FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUND**

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

### **Governmental Funds**

The focus of the District's governmental funds are to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. As of the end of the current fiscal year, the District's General Fund reported an ending fund balance of \$470,546, which is an increase of \$83,075 in comparison with the prior year. The total fund balance is available for spending at the District's discretion.

### **General Fund Budgetary Highlights**

The budget was amended once during the year. The primary reason for amending the budget was to align budgeted revenues and expenditures with actual.

The major differences between the original General Fund budget and the final amended budget were as follows:

#### **Revenues**

- Ad valorem tax revenues increased by \$45,549 to better reflect the actual revenue received.
- FEMA revenues were increased by \$18,714 to reflect the actual revenue received.
- Miscellaneous revenues were increased by \$26,417 to reflect anticipated revenue increases.

#### **Expenditures**

- Personal services increased by \$13,261 to better reflect payroll and benefit related expenses incurred by the District.
- Other services and charges increased by \$27,703 to better reflect actual expenses.
- Repairs and maintenance increased by \$82,751 to accurately reflect expected maintenance on the station and vehicles.

During the year, revenues were greater than budgetary estimates and expenditures were less than budgetary estimates. See Exhibit E for a comparison of budgeted and actual revenue and expenditures.

**CAPITAL ASSETS AND DEBT ADMINISTRATION****Capital Assets**

The District's investment in capital assets for its governmental activities as of December 31, 2025, amounts to \$2,182,145 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, office furniture, fixtures and equipment, trucks, machinery and equipment are as follows:

	<u>2025</u>	<u>2024</u>
Land	\$ 65,967	\$ 65,967
Buildings and improvements	1,737,789	1,807,991
Office furniture, fixtures, and equipment	306	499
Trucks, machinery and equipment	<u>378,083</u>	<u>469,770</u>
Totals	<u><u>\$ 2,182,145</u></u>	<u><u>\$ 2,344,227</u></u>

Additional information on the District's capital assets can be found in Note 5, Exhibit F of this report.

**Long-Term Obligations**

As of December 31, 2025, the District has a net pension liability that decreased by \$241,744 during 2025 to a balance of \$542,757 as of December 31, 2025. More detailed information about the District's net pension liability is presented in Note 10, Exhibit F of this report. Other post-employment benefit obligations increased \$5,891 to \$693,327 as of December 31, 2025 to reflect actuarial calculated balances. More detailed information about the District's other post-employment benefits is presented in Note 9, Exhibit F of this report.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES**

The Board of Directors considered the following factors and indicators when setting next year's budget, rates, and fees. These factors and indicators include:

- The ad valorem tax revenue budgeted represents the estimated amount of the November 2025 assessment, which the District will receive, for the most part, in January 2026. The 2025 assessment of 23 mills is construction, maintenance and operation of the fire protection facilities. Ad valorem taxes are projected to be \$1,013,000 and state revenue sharing is expected to be \$15,000.
- Salaries and wages are projected to be consistent with the prior year.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES (Continued)**

- Property, auto, and liability insurance is expected to increase to \$115,000.
- Repairs will be made as funding will allow.
- No capital expenditures are planned in the budget.

**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 Board of Directors of the Terrebonne Parish Fire District No. 10, 1767 Bayou Dularge Road, Theriot, Louisiana 70397.

**STATEMENT OF NET POSITION AND GOVERNMENTAL FUND BALANCE SHEET****Terrebonne Parish Fire District No. 10**  
Theriot, Louisiana

December 31, 2025

	General Fund	Debt Service Fund	Totals	Adjustments (Exhibit B)	Statement of Net Position
<b>Assets</b>					
Cash	\$ 636,502	\$ 1,561	\$ 638,063	\$ -	\$ 638,063
Receivables:					
Taxes	269,325	-	269,325	-	269,325
Other receivables	5,060	-	5,060	-	5,060
Due from other governmental units	618,358	-	618,358	-	618,358
Due from other funds	1,561	-	1,561	(1,561)	-
Capital assets:					
Non-depreciable	-	-	-	65,967	65,967
Depreciable, net of accumulated depreciation	-	-	-	2,116,178	2,116,178
Total current assets	1,530,806	1,561	1,532,367	2,180,584	3,712,951
<b>Deferred Outflows of Resources</b>					
Pension	-	-	-	227,846	227,846
Other postemployment benefits	-	-	-	721,714	721,714
Total assets and deferred outflows of resources	<u>\$ 1,530,806</u>	<u>\$ 1,561</u>	<u>\$ 1,532,367</u>	<u>3,130,144</u>	<u>4,662,511</u>
<b>Liabilities</b>					
Accounts payables and accrued expenditures	\$ 26,349	\$ -	\$ 26,349	-	26,349
Due to other funds	-	1,561	1,561	(1,561)	-
Long-term liabilities:					
Due after one year	-	-	-	1,258,413	1,258,413
Total liabilities	26,349	1,561	27,910	1,256,852	1,284,762
<b>Deferred Inflows of Resources</b>					
Unavailable revenue - property taxes	1,033,911	-	1,033,911	-	1,033,911
Pensions	-	-	-	249,672	249,672
Other postemployment benefits	-	-	-	195,125	195,125
Total deferred inflows of resources	1,033,911	-	1,033,911	444,797	1,478,708
Total liabilities and deferred inflows of resources	<u>1,060,260</u>	<u>1,561</u>	<u>1,061,821</u>	<u>1,701,649</u>	<u>2,763,470</u>
<b>Fund Balances/Net Assets</b>					
Fund balances:					
Unassigned	470,546	-	470,546	(470,546)	-
Total liabilities and fund balances	<u>\$ 1,530,806</u>	<u>\$ 1,561</u>	<u>\$ 1,532,367</u>		
Net position:					
Net investment in capital assets				2,182,145	2,182,145
Unrestricted				(283,104)	(283,104)
Total net position				<u>\$ 1,899,041</u>	<u>\$ 1,899,041</u>

See notes to financial statements.

**RECONCILIATION OF THE GOVERNMENTAL FUND  
BALANCE SHEET TO THE STATEMENT OF NET POSITION**

**Terrebonne Parish Fire District No. 10**

Theriot, Louisiana

December 31, 2025

<b>Fund Balances - Governmental Fund</b>		<b>\$ 470,546</b>
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.		
Governmental capital assets	\$ 4,882,485	
Less accumulated depreciation	<u>(2,700,340)</u>	2,182,145
Deferred outflows of resources used in governmental activities are not financial resources and are not reported in governmental funds.		
Pensions	227,846	
Other postemployment benefits obligation	<u>721,714</u>	949,560
Long-term liabilities, are not due and payable in the current period and, therefore, are not reported in the governmental funds.		
Compensated absences	(22,329)	
Other postemployment benefits liability	(693,327)	
Net pension liability	<u>(542,757)</u>	(1,258,413)
Deferred inflows of resources are not due and payable in the current period and are not reported in governmental funds.		
Pensions	(249,672)	
Other postemployment benefits	<u>(195,125)</u>	<u>(444,797)</u>
<b>Net Position of Governmental Activities</b>		<b><u><u>\$ 1,899,041</u></u></b>

See notes to financial statements.

**STATEMENT OF ACTIVITIES AND STATEMENT OF GOVERNMENTAL FUND  
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**

**Terrebonne Parish Fire District No. 10**

Theriot, Louisiana

For the year ended December 31, 2025

	General Fund	Debt Service Fund	Totals	Adjustments (Exhibit D)	Statement of Activities
<b>Revenues</b>					
Taxes	\$ 1,083,446	\$ -	\$ 1,083,446	\$ -	\$ 1,083,446
Intergovernmental:					
State of Louisiana:					
FEMA	18,714	-	18,714	-	18,714
State revenue sharing	14,160	-	14,160	-	14,160
Fire insurance tax	24,918	-	24,918	-	24,918
Supplemental pay	37,661	-	37,661	-	37,661
Miscellaneous:					
Interest	4,739	58	4,797	-	4,797
Other	1,682	-	1,682	-	1,682
Total revenues	<u>1,185,320</u>	<u>58</u>	<u>1,185,378</u>	<u>-</u>	<u>1,185,378</u>
<b>Expenditures/Expenses</b>					
Current:					
General government:					
Ad valorem tax deductions	34,568	-	34,568	-	34,568
Total general government	<u>34,568</u>	<u>-</u>	<u>34,568</u>	<u>-</u>	<u>34,568</u>
Public safety:					
Personal services	786,705	-	786,705	(280,848)	505,857
Supplies and materials	43,198	-	43,198	-	43,198
Other services and charges	168,260	-	168,260	-	168,260
Repairs and maintenance	69,572	-	69,572	-	69,572
Depreciation	-	-	-	162,082	162,082
Total public safety	<u>1,067,735</u>	<u>-</u>	<u>1,067,735</u>	<u>(118,766)</u>	<u>948,969</u>
Capital outlay	-	-	-	-	-
Total expenditures/expenses	<u>1,102,303</u>	<u>-</u>	<u>1,102,303</u>	<u>(118,766)</u>	<u>983,537</u>
Excess of revenues over expenditures before other financing sources	<u>83,017</u>	<u>58</u>	<u>83,075</u>	<u>118,766</u>	<u>201,841</u>
<b>Other Financing Sources (Uses)</b>					
Transfers-in	58	-	58	(58)	-
Transfers-out	-	(58)	(58)	58	-
<b>Net Change in Fund Balance</b>	83,075	-	83,075	(83,075)	-
<b>Change in Net Position</b>	-	-	-	201,841	201,841
<b>Fund Balances/Net Position</b>					
Beginning of year	387,471	-	387,471	1,309,729	1,697,200
End of year	<u>\$ 470,546</u>	<u>\$ -</u>	<u>\$ 470,546</u>	<u>\$ 1,428,495</u>	<u>\$ 1,899,041</u>

See notes to financial statements.

**RECONCILIATION OF THE STATEMENT OF GOVERNMENTAL  
FUND REVENUES, EXPENDITURES, AND CHANGES IN FUND  
BALANCES TO THE STATEMENT OF ACTIVITIES**

**Terrebonne Parish Fire District No. 10**

Theriot, Louisiana

For the year ended December 31, 2025

<b>Net Change in Fund Balances - Governmental Funds</b>		<b>\$ 83,075</b>
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Capital outlay	\$ -	
Depreciation expense	<u>(162,082)</u>	(162,082)
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental fund.		
Other postemployment benefit obligations	153,825	
Increase in compensated absences	(420)	
Pension expense	<u>127,443</u>	<u>280,848</u>
<b>Change in Net Position of Governmental Activities</b>		<b><u><u>\$ 201,841</u></u></b>

See notes to financial statements.

**STATEMENT OF GOVERNMENTAL FUND REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -  
GENERAL FUND**

**Terrebonne Parish Fire District No. 10**

Theriot, Louisiana

For the year ended December 31, 2025

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Taxes	\$ 968,000	\$ 1,013,549	\$ 1,083,446	\$ 69,897
Intergovernmental:				
State of Louisiana:				
FEMA	-	18,714	18,714	-
State revenue sharing	15,000	14,160	14,160	-
Fire insurance tax	-	-	24,918	24,918
Supplemental pay	-	-	37,661	37,661
Miscellaneous:				
Interest	5,000	4,740	4,739	(1)
Other	-	26,417	1,682	(24,735)
Total revenues	<u>988,000</u>	<u>1,077,580</u>	<u>1,185,320</u>	<u>107,740</u>
<b>Expenditures</b>				
Current:				
General government:				
Ad valorem tax deductions	-	-	34,568	(34,568)
Total general government	<u>-</u>	<u>-</u>	<u>34,568</u>	<u>(34,568)</u>
Public safety:				
Personal services	806,016	819,277	786,705	32,572
Supplies and materials	19,300	27,035	43,198	(16,163)
Other services and charges	147,052	174,755	168,260	6,495
Repairs and maintenance	15,000	97,751	69,572	28,179
Total public safety	<u>987,368</u>	<u>1,118,818</u>	<u>1,067,735</u>	<u>51,083</u>
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>987,368</u>	<u>1,118,818</u>	<u>1,102,303</u>	<u>16,515</u>
Excess (deficiency) of revenues over expenditures before other financing sources	<u>632</u>	<u>(41,238)</u>	<u>83,017</u>	<u>124,255</u>
<b>Other Financing Sources</b>				
Transfers-in	<u>-</u>	<u>-</u>	<u>58</u>	<u>-</u>
<b>Net Change in Fund Balances</b>	632	(41,238)	83,075	124,255
<b>Fund Balance</b>				
Beginning of year	<u>439,756</u>	<u>387,471</u>	<u>387,471</u>	<u>-</u>
End of year	<u>\$ 440,388</u>	<u>\$ 346,233</u>	<u>\$ 470,546</u>	<u>\$ 124,255</u>

See notes to financial statements.

**NOTES TO FINANCIAL STATEMENTS****Terrebonne Parish Fire District No. 10**

Theriot, Louisiana

December 31, 2025

**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of Terrebonne Parish Fire District No. 10 (the “District”) conform to accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of significant accounting policies:

**a) Reporting Entity**

The District is a component unit of the Terrebonne Parish Consolidated Government (the “Parish”) and as such, these financial statements will be included in the annual comprehensive financial report (ACFR) of the Parish for the year ended December 31, 2025.

GASB Statement 14, *“The Financial Reporting Entity*, GASB Statement 39, *Determining Whether Certain Organizations Are Component Units-an Amendment of GASB Statement 14*, and GASB Statement 61, *The Financial Reporting Entity: Omnibus an Amendment of GASB Statements 14 and 34*”, established the criterion for determining which component units should be considered part of the District for financial reporting purposes. The basic criteria are as follows:

1. The legal status of the potential component unit including the right to incur its own debt, levy its own taxes and charges, expropriate property in its own name, sue and be sued, and the right to buy, sell and lease property in its own name.
2. Whether the governing authority appoints a majority of the board members of the potential component unit.
3. Fiscal interdependency between the District and the potential component unit.
4. Imposition of will by the District on the potential component unit.
5. Financial benefit/burden relationship between the District and the potential component unit.

The District has reviewed all of its activities and determined that there are no potential component units which should be included in its financial statements.

**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**b) Basis of Presentation**

The District's financial statements consist of the government-wide statements on all activities of the District and the governmental fund financial statements (individual major funds).

**Government-Wide Financial Statements**

The government-wide financial statements include the Statement of Net Position and the Statement of Activities for all activities of the District. The government-wide presentation focuses primarily on the sustainability of the District as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. Governmental activities generally are financed through taxes, intergovernmental revenues and other non-exchange revenues.

**Fund Financial Statements**

The daily accounts and operations of the District are organized on the basis of a fund and account groups, each of which is considered a separate accounting entity. The operations of the funds are accounted for with a separate set of self-balancing accounts that comprise their assets, deferred outflows of resources, liabilities, deferred inflows of resources, equity, revenues and expenditures. Governmental resources are allocated to and accounted for in the funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The following are the governmental funds of the District:

**General Fund** - The General Fund is the general operating fund of the District. It is used to account for and report all financial resources not accounted for and reported in another fund. The General Fund is always a major fund.

**Debt Service Fund** - The Debt Service Fund is used to account for and report financial resources that are restricted, committed or assigned to expenditures for debt principal, interest and related costs. The Debt Service Fund is reported as a major fund.

**c) Measurement Focus and Basis of Accounting**

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**c) Measurement Focus and Basis of Accounting (Continued)**

**Government-Wide Financial Statements**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized in the year for which they are levied.

**Fund Financial Statements**

All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (revenues and other financing sources) and decreases (expenditures and other uses) in net current position. Governmental funds are maintained on the modified accrual basis of accounting.

Governmental fund revenues resulting from exchange transactions are recognized in the fiscal year in which the exchange takes place and meets the government's availability criteria (susceptible to accrual). Available means that the resources will be collected within the current year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current year. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. Ad valorem taxes and the related state revenue sharing (intergovernmental revenue) are recognized as revenue in the period for which levied, thus the 2025 property taxes which are being levied to finance the 2026 budget will be recognized as revenue in 2026. The 2025 tax levy is recorded as deferred inflows of resources (unavailable revenue) in the District's 2025 financial statements. Miscellaneous revenues are recorded as revenues when received in cash by the District because they are generally not measurable until actually received.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. An exception to this general rule is principal and interest on general long-term debt which is recognized when due. Allocations of cost such as depreciation are not recognized in the governmental funds.

**d) Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**e) Operating Budgetary Data**

As required by the Louisiana Revised Statutes 39:1303, the Board of Commissioners (the “Board”) adopted a budget for the District’s General Fund. The budgetary practices include public notice of the proposed budget, public inspection of the proposed budget, and a public hearing on the budget prior to adoption. Any amendment involving the transfer of monies from one function to another or increases in expenditures must be approved by the Board. The District amended its budget once during the year. All budgeted amounts that are not expended, or obligated through contracts, lapse at year-end.

The General Fund budget is adopted on a basis materially consistent with accounting principles generally accepted in the United States of America.

The General Fund budget presentation is included in the financial statements.

**f) Accounts Receivable**

The financial statements for the District contain no allowance for uncollectible accounts. Uncollectible amounts due for ad valorem taxes and other receivables are recognized as bad debts at the time information becomes available which would indicate the uncollectibility of the particular receivable. These amounts are not considered to be material in relation to the financial position or operations of the funds.

**g) Prepaid Insurance**

The District records prepaid insurance in its governmental fund. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items. There was no prepaid insurance as of December 31, 2025.

**h) Capital Assets**

The accounting treatment over property, plant and equipment (capital assets) depends on whether the assets are reported in the government-wide or fund financial statements.

**Government-Wide Financial Statements**

In the government-wide financial statements, fixed assets are accounted for as capital assets. Capital assets purchased or acquired with an original cost of \$500 or more are valued at historical cost, or estimated historical cost if actual is unavailable, except for donated capital assets which are recorded at their estimated fair value at the date of donation. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**h) Capital Assets (Continued)**

**Government-Wide Financial Statements (Continued)**

Depreciation of all exhaustible capital assets is recorded as an expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Buildings and improvements	5 - 40 years
Trucks	5 - 15 years
Machinery and equipment	5 - 25 years
Office furniture, fixtures, and equipment	5 - 12 years

**Fund Financial Statements**

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

**i) Deferred Outflows of Resources**

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense) until then. The District has deferred outflows of resources related to pensions and other postemployment benefits.

**j) Long-term Obligations**

The accounting treatment of long-term obligations depends on whether they are reported in the government-wide or fund financial statements.

**Government-Wide Financial Statements**

All long-term obligations to be repaid from governmental resources are reported as liabilities in the government-wide statements. The long-term obligations consist of compensated absences, general obligation bonds and net pension liability.

**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**j) Long-term Obligations (Continued)**

**Fund Financial Statements**

Long-term obligations for governmental funds are not reported as liabilities in the fund financial statements. Bond proceeds are reported as other financing sources and payments of principal and interest are reported as expenditures in governmental funds.

**k) Vacation and Sick Leave**

Accumulated vacation and sick leave is recorded as an expenditure of the period in which it is paid in the governmental funds. Obligations for compensated absences are reported in the government-wide statements.

Employees of the District hired after July 1, 2014 receive 18 vacation days after the first year of service with the District. Accumulated vacation leave is due to the employee at the time of termination or death. No more than 30 days of vacation may be carried over from one year to the next.

Every firefighter in the employ of a fire protection district shall be entitled to full pay during sickness or incapacity not brought about by his own negligence or culpable indiscretion for a period of no less than 52 weeks. A firefighter employed by any fire protection district who draws full pay during sickness or incapacity shall have such pay decreased by the amount of workers' compensation benefits actually received by the employee. A firefighter is entitled to sick leave benefits even though the injury or illness may have occurred while he was off duty. Firefighters are not prohibited from engaging in part-time employment while receiving sick leave. A probationary firefighter who is not a regular or permanent firefighter is not entitled to sick leave benefits provided by the District. Sick leave does not accumulate for District employees. Accordingly, there is no accumulated sick leave for the District as of December 31, 2025.

**l) Deferred Inflows of Resources**

The District reports deferred inflows of resources in the financial statements when resources associated with imposed non-exchange revenue transactions are received or reported as a receivable before (a) the period for which property taxes are levied or (b) the period when resources are required to be used or when use is first permitted for all other imposed non-exchange revenues in which the enabling legislation includes time requirements. The District reports deferred inflows of resources related to property taxes and pensions and other postemployment benefits.

**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**m) Pensions**

For purposes of measuring the net pension liability, deferred outflows of resources, and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Firefighters' Retirement System of Louisiana (the "System") and additions to/deductions from the System's fiduciary net position have been determined on the same basis as they are reported by the System. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**n) Equity**

**Government-Wide Statements**

Equity is classified as net position and displayed in three components:

- a. Net investment in capital assets - Consists of capital assets including 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, if any.
- b. Restricted - Consists of assets and deferred outflows of resources less liabilities and deferred inflow of resources (net position) with constraints placed on the use either by (1) external groups such as creditors, grantors, contributions or laws or regulations of other governments; or (2) law through constitutional provisions or other enabling legislation.
- c. Unrestricted - All other net position that do not meet the definition of "restricted" or "net investment in capital assets".

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.

**Fund Financial Statements**

Governmental fund equity is classified as fund balance. Fund balance is further classified as follows:

- a. Non-spendable - amounts that cannot be spent either because they are in non-spendable form or because they are legally or contractually required to maintain intact.

**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**n) Equity (Continued)**

**Fund Financial Statements**

- b. Restricted - amounts that can be spent only for specific purposes because of constitutional provisions, charter requirements or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.
- c. Committed - amounts that can be used only for specific purposes determined by a formal action of the District's Board of Commissioners. Commitments may be established, modified, or rescinded only through resolutions approved by the District's Board of Commissioners.
- d. Assigned - amounts that do not meet the criteria to be classified as either restricted or committed but are intended to be used for specific purposes. Assigned amounts may be established, modified or rescinded through a majority vote by the District's Board of Commissioners.
- e. Unassigned - all other spendable amounts.

For the classification of governmental fund balances, the District considers an expenditure to be made from the most restrictive classification first when more than one classification is available. The District's fund balance was classified as unassigned as of December 31, 2025.

**o) New GASB Statements**

During the year ended December 31, 2025, the District implemented the following GASB Statement.

Statement No. 102, "*Certain Risk Disclosures*" defines concentrations and constraints. The Statement also requires governments to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact and whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. Additional disclosures are to be included if reporting criteria is met which will provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. This Statement did not affect the financial statements for the year ended December 31, 2025.

**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**o) New GASB Statements (Continued)**

The GASB has issued the following Statements which will become effective in future years as shown below:

Statement No. 103, “*Financial Reporting Model Improvements*” provides objectives to improve key components of the financial reporting model to enhance effectiveness in providing information that is essential for decision making and assessing a government’s accountability. This Statement also addresses certain application issues. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. Earlier application is encouraged.

Statement No. 104, “*Disclosure of Certain Capital Assets*” provides users of government financial statements with essential information about certain types of capital assets. This Statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement 34. Lease assets recognized in Statement No. 87, and intangible right-to-use assets recognized in accordance with Statement No. 94, should be disclosed separately by major class of underlying asset in the capital asset note disclosure. Subscription assets recognized in accordance with Statement No. 96 also should be separately disclosed. This Statement also requires additional disclosure for capital assets held for sale. A capital asset is a capital asset held for sale if (a) the government has decided to pursue the sale of the capital asset and (b) it is probable that the sale will be finalized within one year of the financial statement date. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. Earlier application is encouraged.

Statement No. 105, “*Subsequent Events*” The primary objective of this Statement is to improve the financial reporting requirements for subsequent events, thereby enhancing consistency in their application and better meeting the information needs of financial statement users. This Statement defines subsequent events as transactions or other events that occur after the date of the financial statements but before the date the financial statements are available to be issued. This Statement describes the date the financial statements are available to be issued as the date at which ( 1) the financial statements are complete in a form and format that complies with generally accepted accounting principles and (2) approvals necessary for issuance have been obtained. That definition modifies the subsequent events time frame throughout the GASB literature. This Statement also requires the date through which subsequent events have been evaluated to be disclosed. This Statement clarifies the subsequent events that constitute recognized and nonrecognized events and establishes specific note disclosure requirements for nonrecognized events. The requirements of this Statement are effective for fiscal years beginning after June 15, 2026, and all reporting periods thereafter. Earlier application is encouraged.

**Note 2 - DEPOSITS**

Louisiana state law allows all political subdivisions to invest excess funds in obligations of the United States or any other federally insured investment, certificates of deposit of any bank domiciled or having a branch office in the state of Louisiana, guaranteed investment contracts and investment grade (A-1/P-1) commercial paper of domestic corporations.

State law requires deposits (cash and certificates of deposit) of all political subdivisions to be fully collateralized at all times. Acceptable collateralization includes Federal Deposit Insurance Corporation (FDIC) insurance and the market value of securities purchased and pledged to the political subdivision. Obligations of the United States, the State of Louisiana and certain political subdivisions are allowed as security for deposits. Obligations furnished as security must be held by the political subdivision or with an unaffiliated bank or trust company for the account of the political subdivision.

The year-end balances of deposits are as follows:

	<u>Bank Balances</u>	<u>Reported Amounts</u>
Cash	<u>\$ 641,151</u>	<u>\$ 638,063</u>

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 has a written policy for custodial credit risk. As of December 31, 2025, \$391,151 of the District's bank balance of \$641,151 was exposed to custodial credit risk. These deposits were uninsured and collateralized with securities held by the pledging financial institution's trust department or agent and are deemed to be held in the District's name by state statutes.

As of December 31, 2025, cash was adequately collateralized in accordance with state law by securities held by unaffiliated banks for the account of the District. The GASB, which promulgates the standards for accounting and financial reporting for state and local governments, considers these securities subject to custodial credit risk. Even though the deposits are considered subject to custodial credit risk under the provisions of GASB Statement No. 40, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the depositor that the fiscal agent has failed to pay deposited funds upon demand.

**Note 3 - PROPERTY TAXES**

Property taxes are levied each November 1 on the assessed value listed as of the prior January 1 for all real property, merchandise and movable property located in the District. Assessed values are established by the Terrebonne Parish Assessor’s Office and the State Tax Commission at percentages of actual value as specified by Louisiana law. A statewide reevaluation of all property is required to be completed no less than every four years. The last statewide reevaluation was completed for the list of January 1, 2024. Taxes are due and payable December 31 with interest being charged on payments after January 1. Taxes can be paid through the tax sale date, which is the last Wednesday in June. Properties for which the taxes have not been paid are sold for the amount of the taxes. The tax rate for the year ended December 31, 2025 was \$23.00 per \$1,000 of assessed valuation on property within Terrebonne Parish Fire District No. 10 for the purpose of constructing, maintaining, and operating fire protection facilities within the District and paying the cost of obtaining water for fire protection purposes including charges for fire hydrant rentals and services. As indicated in Note 1c, taxes levied November 1, 2025 are for budgeted expenditures in 2026 and will be recognized as revenues in 2026.

**Note 4 - DUE FROM OTHER GOVERNMENTAL UNITS**

Amounts due from other governmental units as of December 31, 2025 consisted of the following:

	General Fund
State of Louisiana:	
State revenue sharing	\$ 9,208
Terrebonne Parish Tax Collector - December, 2025 collections remitted to the District in January, 2026:	
Ad valorem taxes	604,546
State revenue sharing	4,604
Total	\$ 618,358

**Note 5 - CHANGES IN CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2025 was as follows:

	Balance January 1, 2025	Additions	Deletions	Balance December 31, 2025
Capital assets not being depreciated:				
Land	\$ 65,967	\$ -	\$ -	\$ 65,967
Capital assets being depreciated:				
Buildings and improvements	2,734,801	-	-	2,734,801
Trucks	1,560,127	-	-	1,560,127
Machinery and equipment	514,668	-	-	514,668
Office furniture, fixtures, and equipment	6,922	-	-	6,922
Total capital assets being depreciated	4,816,518	-	-	4,816,518
Less accumulated depreciation for:				
Buildings and improvements	(926,810)	(70,202)	-	(997,012)
Trucks	(1,271,112)	(54,244)	-	(1,325,356)
Machinery and equipment	(333,913)	(37,443)	-	(371,356)
Office furniture, fixtures, and equipment	(6,423)	(193)	-	(6,616)
Total accumulated depreciation	(2,538,258)	(162,082)	-	(2,700,340)
Total capital assets being depreciated, net	2,278,260	(162,082)	-	2,116,178
Total capital assets, net	\$ 2,344,227	\$ (162,082)	\$ -	\$ 2,182,145

Depreciation amounting to \$162,082 was recorded as public safety expenses for the year ended December 31, 2025.

**Note 6 - ACCOUNTS PAYABLE AND ACCRUED EXPENSES**

Accounts payable and accrued expenditures as of December 31, 2025 are presented below:

	General Fund	Adjustments	Totals
Governmental fund:			
Salaries and benefits	\$ 14,361	\$ -	\$ 14,361
Vendors	11,988	-	11,988
Totals	\$ 26,349	\$ -	\$ 26,349

**Note 7 - DUE TO/FROM OTHER FUNDS**

Due to/from other funds are listed by fund for the year ended December 31, 2025:

	Receivable Fund	Payable Fund
General Fund	<u>\$ 1,561</u>	<u>\$ -</u>
Debt Service Fund	<u>\$ -</u>	<u>\$ 1,561</u>

The balances above result from interest payment and principal on bonds paid through the operating account.

**Note 8 - LONG-TERM OBLIGATIONS**

Through December 31, 2025, the District has recognized obligations in the amount of \$22,329 for compensated absences as further described in Note 1k.

Through December 31, 2025, the District has recognized obligations in the amount of \$693,327 for other postemployment benefits as further described in Note 9.

Through December 31, 2025, the District has recognized obligations in the amount of \$542,757 for the defined benefit pension plan as further described in Note 10.

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

	Payable January 1, 2025	Issuances	Obligations Retired	Payable December 31, 2025
Compensated absences	\$ 21,909	\$ 420	\$ -	\$ 22,329
Other postemployment benefits	687,436	5,891	-	693,327
Defined benefit pension plan	<u>784,501</u>	<u>-</u>	<u>241,744</u>	<u>542,757</u>
Total long-term obligations	<u>\$1,493,846</u>	<u>\$6,311</u>	<u>\$ 241,744</u>	<u>\$1,258,413</u>

**Note 9 - POSTEMPLOYMENT HEALTHCARE BENEFITS**

**Plan Description**

The District administers a single employer defined benefit healthcare plan (the “Plan”). The Plan provides for the payment of medical, dental and life insurance premiums for eligible employees, retirees and their dependents as approved by the Board of Commissioners. Louisiana Revised Statute 33:5161 grants the authority to establish and amend the benefit terms and financing requirements to the Board of Commissioners. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75. Eligible retirees can continue their health coverage by an election at retirement. Retirees are not eligible to rejoin at any other time. For employees retiring before January 1, 2005 the District funds the entire premium for all benefits on employees retiring with at least ten years of service upon retiring from the formal retirement systems.

District employees retiring on or after January 1, 2005 and before January 1, 2014, with at least ten years of permanent full-time creditable service with the District shall be eligible to participate in the Plan approved by the Board of Commissioners under the following vesting schedule: 11 to 15 years of service, 27.50% plus 2.75% per year; 16 to 20 years of service, 41.25% plus 3.75% per year; 21 years or more of service, 60% plus 5.00% per year of service, limited to 85% of the premium. Employees hired after December 31, 2013 with at least 30 years of permanent full-time creditable service, age 55 and 5 years of participation in the District’s group health insurance plan immediately prior to retirement shall be eligible to participate in the Plan with benefits limited to 80% of premiums. A retired employee may provide dependent hospitalization coverage at applicable dependent rates. To be eligible for coverage after retirement, retired employees must be eligible for retirement under the Parochial Employees’ Retirement System, see Note 10. The District currently has seven active employees and one retiree in the Plan. The District does not issue a publicly available financial report on the Plan.

**Employees Covered by Benefit Terms**

Inactive employees currently receiving benefit payments	1
Active employees	<u>6</u>
Total	<u><u>7</u></u>

The District’s total OPEB liability of \$693,327 was measured as of December 31, 2025 and was determined by an actuarial valuation as of January 1, 2024.

**Note 9 - POSTEMPLOYMENT HEALTHCARE BENEFITS (Continued)**

**Total OPEB Liability**

**Actuarial Assumptions and Other Inputs**

The total OPEB liability as of December 31, 2025 was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless, otherwise specified:

<b>Measurement Date</b>	December 31, 2025
<b>Actuarial Valuation Date</b>	January 1, 2024
<b>Inflation</b>	2.50%
<b>Salary Increases, Including Inflation</b>	3.00%
<b>Discount Rate</b>	4.43%
<b>Healthcare Cost Trend Rates</b>	Medical - 6.00% in year one decreasing in decrements of 0.25% per year until 4.50% through year seven.  Dental - 3.50% in year one decreasing in decrements of 0.25% per year until 2.50% through year five.

The discount rate was based on the December 31, 2025 S&P Municipal Bond 20-Year High Grade Index Yield.

Mortality rates for active employees were based on the PubG.H-2010 (general) and PubS.H-2010 (public safety) Employee Mortality Tables, Generational with Projection Scale MP-2021 for males or females, as appropriate.

**Note 9 - POSTEMPLOYMENT HEALTHCARE BENEFITS (Continued)**

**Total OPEB Liability (Continued)**

Mortality rates for retirees were based on the PubG.H-2010 (general) and PubS.H-2010 (public safety) Healthy Retiree Mortality Tables, Generational with Projection Scale MP-2021 for males or females, as appropriate.

	<u>Total OPEB Liability</u>
Balance as of December 31, 2024	\$ 687,436
Changes for the year:	
Service cost	9,331
Interest	29,445
Difference between expected and actual experience	2,105
Changes in assumptions and other inputs	(10,443)
Change in proportion Benefit payments	<u>(31,503)</u>
Net changes	<u>5,891</u>
Balance as of December 31, 2025	<u><u>\$ 693,327</u></u>

**Sensitivity to Total OPEB Liability to Change in the Discount Rate**

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current discount rate.

	1.00% Decrease <u>(3.43%)</u>	Current Discount Rate <u>(4.43%)</u>	1.00% Increase <u>(5.43%)</u>
Total OPEB Liability	<u>\$ 805,347</u>	<u>\$ 693,327</u>	<u>\$ 603,624</u>

**Note 9 - POSTEMPLOYMENT HEALTHCARE BENEFITS (Continued)**

**Sensitivity to Total OPEB Liability to Change in the Health Cost Trend Rate**

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% lower or 1% higher than the current healthcare cost trend rate.

	1.00% Decrease	Current Healthcare Cost Trend Rate	1.00% Increase
Total OPEB Liability	\$ 589,426	\$ 693,327	\$ 826,976

**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

For the year ended December 31, 2025 the District recognized OPEB expense of \$153,825. As of December 31, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 44,388	\$ -
Change in assumptions	17,000	(70,283)
Change in proportion	660,326	(124,842)
Totals	\$ 721,714	\$ (195,125)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending December 31,	Amount
2026	\$ 107,861
2027	213,576
2028	176,476
2029	28,676
Total	\$ 526,589

**Note 10 - DEFINED BENEFIT PLAN**

**Plan Description** - The District contributes to the Firefighters' Retirement System of Louisiana (the "System"), a cost-sharing multiple-employer defined benefit public retirement system, which is controlled and administered by a separate Board of Trustees. The System is governed by Louisiana Revised Statutes 11:2251 through 11:2272, specifically, and other general laws of the State of Louisiana.

**Eligibility** - Any person who becomes an employee as defined in R.S. 11:2252 on and after January 1, 1980, shall become a member as a condition of employment. Members in the System consist of full-time firefighters, eligible employees of the retirement system, or any person in a position as defined in the municipal fire and police civil service system that earns at least \$375 per month, excluding state supplemental pay, and is employed by a fire department of any municipality, parish, or fire district of the state of Louisiana, except for Orleans Parish and the City of Baton Rouge.

No person who has attained age 50 or over shall become a member of the System unless the person becomes a member by reason of a merger or unless the System receives an application for membership before the applicant attained the age of 50. No person who has not attained the age of 18 years shall become a member of the System.

Any person who has retired from service under any retirement system or pension fund maintained basically for public officers and employees of the state, its agencies or political subdivisions, and who is receiving retirement benefits therefrom may become a member of this System, provided the person meets all other requirements for membership. Service credit from the retirement system or pension plan from which the member is retired shall not be used for reciprocal recognition of service with this System, or for any other purpose in order to attain eligibility or increase the amount of service credit in this System.

**Retirement Benefits** - Employees with 20 or more years of service who have attained age 50, or employees who have 12 years of service who have attained age 55, or 25 years of service at any age are entitled to annual pension benefits equal to 3.333% of their average final compensation based on the 36 consecutive months of highest pay multiplied by their total years of service, not to exceed 100%. Employees may elect to receive their pension benefits in the form of a joint and survivor annuity.

If employees terminate before completing 12 years of service, they forfeit the right to receive the portion of their accumulated plan benefits attributable to their employer's contributions.

Benefits are payable over the retirees' lives in the form of a monthly annuity. A member may elect the maximum benefit (unreduced benefit which ceases upon the member's death) or any of six other options at retirement.

See R.S. 11:2256(A) for additional details on retirement benefits.

**Note 10 - DEFINED BENEFIT PLAN (Continued)**

**Disability Benefits** - A member who acquires a disability, and who files for disability benefits while in service, and who upon medical examination and certification as provided for in Title 11, is found to have a total disability solely as the result of injuries sustained in the performance of his official duties, or for any cause, provided the member has at least five years of creditable service and provided that the disability was incurred while the member was an active contributing member in active service, shall be entitled to disability benefits under the provisions of R.S. 11: 2258(B).

**Death Benefits** - Benefits shall be payable to the surviving eligible spouse or designated beneficiary of a deceased member as specified in R.S. 11 :2256(B) & (C).

**Deferred Retirement Option Plan** - After completing 20 years of creditable service and attaining the age of 50 years, or 25 years at any age, a member may elect to participate in the deferred retirement option plan (DROP) for up to 36 months. Upon commencement of participation in DROP, employer and employee contributions to the System cease. The monthly retirement benefit that would have been payable is paid into the member's DROP account. Upon termination of employment, a participant in the program has several options to receive their DROP benefit. A member may (1) elect to roll over all or a portion of their DROP balance into another eligible qualified plan, (2) receive a lump-sum payment from the account, (3) receive single withdrawals at the discretion of the member, (4) receive monthly or annual withdrawals, or (5) receive an annuity based on the DROP account balance. These withdrawals are in addition to the member's regular monthly benefit. If employment is not terminated at the end of the 36 months, the participant resumes regular contributions to the System. No withdrawals may be made from the DROP account until the participant retires.

**Initial Benefit Option Plan** - Effective June 16, 1999, members eligible to retire and who do not choose to participate in DROP may elect to receive, at the time of retirement, an initial benefit option (IBO) in an amount up to 36 months of benefits, with an actuarial reduction of their future benefits. Such amounts may be withdrawn or remain in the IBO account earning interest at the same rate as a DROP account.

**Cost of Living Adjustments (COLAs)** - Under the provisions of R.S. 11:246 and 11:2260(A)(7), the Board of Trustees is authorized to grant retired members and widows of members who have retired an annual cost of living increase of up to 3% of their current benefit, and all retired members and widows who are 65 years of age and older a 2% increase in their original benefit. In order for the board to grant either of these increases, the System must meet certain criteria detailed in the statute related to funding status and interest earnings (R.S. 11:243). In lieu of these COLAs, pursuant to R.S. 11:241, the Board of Trustees may also grant an increase based on a formula equal to up to one dollar times the total number of years of credited service accrued at retirement or at death of the member or retiree plus the number of years since retirement

**Note 10 - DEFINED BENEFIT PLAN (Continued)**

or since death of the member or retiree to the system's fiscal year end preceding the payment of the benefit increase. If there are not sufficient funds to fund the benefit at the rate of one dollar per year for such total number of years, then the rate shall be reduced in proportion to the amount of funds that are available to fund the cost-of-living adjustment.

**Contributions** - Employer contributions are actuarially determined each year. For the year ended June 30, 2025, the employer contribution rate for employees above the poverty line/below the poverty line for the period January 1, 2025 through June 30, 2025 and July 1, 2025 through December 31, 2025 was 33.25%/35.25%. Plan members above the poverty line are required to contribute 10.00% of their annual covered payroll, and 8.00% for those below the poverty line.

The District's contributions to the System for the year ended December 31, 2025, were \$129,551, equal to the required contributions for the year.

**Pension Liabilities** - As of December 31, 2025, the District reported a liability of \$542,757 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2025 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of the contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2025, the District's proportion was 0.1289% which was a decrease of 0.0104% from its proportion measured as of June 30, 2024.

**Pension Expense** - For the year ended December 31, 2025, the District recognized pension expense of \$2,108.

**Note 10 - DEFINED BENEFIT PLAN (Continued)**

**Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions** - As of December 31, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the sources as follows:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 69,505	\$ (9,792)
Change in assumptions	24,746	-
Change in proportion	69,903	(138,455)
Net difference between projected and actual earnings on pension plan investments	-	(101,425)
Contributions subsequent to the measurement date:		
Current year	<u>63,692</u>	<u>-</u>
	<u>\$227,846</u>	<u>\$ (249,672)</u>

The District reported \$63,692 as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the year ending December 31, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2026	\$ 31,903
2027	(75,228)
2028	(36,875)
2029	(6,714)
2030	3,206
2031	<u>(1,810)</u>
Total	<u>\$ (85,518)</u>

**Note 10 - DEFINED BENEFIT PLAN (Continued)**

**Actuarial Assumptions** - The actuarial assumptions used in the June 30, 2025 valuation were based on the assumptions used in the June 30, 2025 actuarial funding valuation. A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2025 are as follows:

<b>Valuation Date</b>	June 30, 2025
<b>Actuarial Cost Method</b>	Entry Age Normal
<b>Estimated Remaining Service Life</b>	7 years, closed period
<b>Investment Rate of Return</b>	6.90% per annum (net of investment expenses, including inflation).
<b>Inflation Rate</b>	2.50% per annum
<b>Salary Increases</b>	14.50% in the first two years of service and 5.00% with three or more years of service.
<b>Cost of Living Adjustments</b>	Only those previously granted.

For the June 30, 2025 valuation, assumptions for mortality rates were based on the following:

- For active members, mortality was set equal to the Pub-2016 Public Retirement Plans Mortality Table for Safety Below-Median Employees.
- For annuitants and beneficiaries, mortality was set equal to the Pub-2016 Public Retirement Plans Mortality Table for Safety Below-Median Healthy Retirees.
- For disabled retirees, mortality was set equal to the Pub-2016 Public Retirement Plans Mortality Table for Safety Disabled Retirees.
- In all cases the base table was multiplied by 110% for males and females, each with full generational projection using the appropriate MP2021 scale.

The long-term expected real rate of return is an important input into the actuary's determination of the reasonable range for the discount rate which is used in determining the total pension liability. The actuary's method incorporates information from multiple consultants and investments firms regarding future expected rates of return, standard deviations, and correlation coefficients for each asset class. The process integrates data from multiple sources to produce average values thereby reducing reliance on a single data source.

**Note 10 - DEFINED BENEFIT PLAN (Continued)**

The June 30, 2025, estimated long-term expected rate of return on pension plan investments was determined by the System's actuary using the System's target asset allocation as of January 2025 and the Curran Actuarial Consulting average study for 2025. The consultant's average study included projected nominal rates of return, standard deviations of returns, and correlations of returns for a list of common asset classes collected from a number of investment consultants and investment management firms. Each consultant's response included nominal expected long term rates of return. In order to arrive at long-term expected arithmetic real rates of return, the actuary normalized the data received from the consultant's responses in the following ways. Where nominal returns received were arithmetic, the actuary simply reduced the return assumption by the long-term inflation assumption. Where nominal returns were geometric, the actuary converted the return to arithmetic by adjusting for the long-term standard deviation and then reduced the assumption by the long-term inflation assumption. Using the target asset allocation for the System and the average values for expected real rates of return, standard deviation of returns, and correlation of returns, an arithmetic expected nominal rate of return and standard deviation for the portfolio was determined. The System's long-term assumed rate of inflation of 2.50% was used in this process for the fiscal year ended June 30, 2025.

**Note 10 - DEFINED BENEFIT PLAN (Continued)**

Best estimates of real rates of return for each major asset class included in the System's target asset allocation as of June 30, 2025 are summarized in the following table presented as follows:

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Equity:		
U.S. Equity	27.00%	6.23%
Non-U.S. Equity	11.00%	6.36%
Global Equity	10.00%	6.50%
Emerging Market Equity	4.00%	8.26%
Fixed Income:		
U.S. Core Fixed Income	23.00%	2.09%
U.S. TIPS	2.00%	2.00%
Emerging Market Debt	2.00%	4.05%
Global Multisector Fixed Income	5.00%	2.34%
Alternatives:		
Real Estate	4.00%	4.85%
Real Assets	3.00%	5.93%
Private Equity/Private Debt	<u>9.00%</u>	9.77%
	<u>100.00%</u>	

**Discount Rate** - The discount rate used to measure the total pension liability was 6.90%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from participating employers and non-employer contributing entities will be made at the actuarially determined rates approved by the Board of Trustees and by the Public Retirement Systems' Actuarial Committee taking into consideration the recommendation of the System's actuary. Based on these assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Note 10 - DEFINED BENEFIT PLAN (Continued)**

**Sensitivity of the District’s Proportionate Share of the Collective Net Pension Liability to Changes in the Discount Rate** - The following presents the net pension liability of the participating employers calculated using the discount rate of 6.90%, as well as what the employers’ net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.90%) or one percentage-point higher (7.90%) than the current rate as of June 30, 2025.

	<u>1% Decrease 5.90%</u>	<u>Current Discount Rate 6.90%</u>	<u>1% Increase 7.90%</u>
District’s proportionate share of the net pension liability	<u>\$ 1,047,259</u>	<u>\$ 542,757</u>	<u>\$ 122,205</u>

**Pension Plan Fiduciary Net Position** - The System issues a publicly available financial report that includes financial statements and required supplementary information for the System. The report may be obtained by writing to Firefighters’ Retirement System, 3100 Brentwood Drive, Baton Rouge, Louisiana 70809 or on the System’s website [www.ffret.com](http://www.ffret.com).

**Note 11 - SUPPLEMENTAL PAY**

In addition to the compensation paid by the District, employees who are firemen may be eligible to receive supplemental pay. The amount of compensation is determined by State Law and is revised periodically.

As per Louisiana Revised Statute 33:2003, any full-time, regular employee of the parish fire protection district who is hired after March 31, 1986, who has passed a certified firemen’s training program equal to the National Fire Protection Association Standard 1001 and who is paid three hundred dollars per month from public funds is eligible for supplemental pay. These full-time employees are carried on the payroll paid from funds of the District obtained through lawfully adopted bond issues or lawfully assessed taxes, either directly or through a board or commission set up by law or ordinance. Employees employed by a fire district are not eligible for supplemental pay if they are presently drawing a retirement or disability pension, clerical employees and mechanics and for those employees who have not passed a certified firemen’s training program but are hired after March 31, 1986. State supplemental pay for firefighters must be taken into account in calculating firefighters longevity pay, holiday pay, and overtime pay. The period of service for computing additional compensation includes prior service of employees who have returned or who hereafter return to such service provided that service in any parish or fire protection district fire department shall be used in computing such prior service which includes full-time employees of a volunteer fire department.

**Note 11 - SUPPLEMENTAL PAY (Continued)**

As of December 31, 2025, the District has recognized revenue and expenditures of \$37,661 in salary supplements that the State of Louisiana has paid directly to the District's employees.

**Note 12 - RISK MANAGEMENT**

The District is exposed to various risks of loss related to workers' compensation; torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters and group health benefits for which the District carries commercial insurance and participates in the Parish's risk management program for group insurance. No settlements were made during the year that exceeded the District's insurance coverage. The District's premiums for group health insurance are based on a fixed rate per employee.

The Parish is self-insured for the first \$175,000 of each claim relating to group health insurance. The aggregate deductible of all group claims relating to group insurance for 2024 was \$15,182,388. Insurance contracts cover excess liability on individual claims. Coverage for group health claim liabilities are to be funded first by the assets of the Parish's group health internal services fund, \$607,200 as of December 31, 2024, then secondly by the District. As of December 31, 2025, the District had no claims in excess of the above coverage limits. Expenditures for premiums to the Parish for insurance coverage during the year ended December 31, 2025 totaled \$121,163.

**Note 13 - COMPENSATION OF BOARD MEMBERS**

The following amounts were paid to Board Members for the year ended December 31, 2025:

Board Members	Number of Meetings Attended	Per Diem
Jimmy Verret, Jr.	12	\$ 360
Regina Pierron	11	330
Davon Charles	10	300
Sam Small, Jr.	10	300
Carroll Hebert	12	360
Total		\$1,650

**Note 14 - STATE OF LOUISIANA TAX ABATEMENTS**

The District's ad valorem tax revenues were reduced by \$48,246 under agreements entered into by the State of Louisiana.

**Note 15 - SUBSEQUENT EVENTS**

Management evaluates events occurring subsequent to the date of financial statements in determining the accounting for and disclosure of transactions and events that effect the financial statements. Subsequent events have been evaluated through April 28, 2026, which is the date the financial statements' were available to be issued.

**REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF CHANGES IN THE DISTRICT'S TOTAL  
OPEB LIABILITY AND RELATED RATIOS**

**Terrebonne Parish Fire Protection District No. 10**  
Theriot, Louisiana

For the six years ended December 31, 2025

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
<b>Total OPEB liability</b>						
Service cost	\$ 9,331	\$ 9,739	\$ 2,825	\$ 5,836	\$ 15,507	\$ 18,461
Interest	29,445	22,836	7,475	4,626	13,425	21,278
Changes of benefit terms						
Difference between expected and actual experience	2,105	47,089	1,314	18,518	(2,192)	(93,180)
Changes in assumptions or other inputs	(10,443)	28,049	(1,728)	(88,858)	7,598	(67,029)
Change in proportion	6,956	425,071	3,161	(445,183)	39,849	773,057
Benefit payments	<u>(31,503)</u>	<u>(32,914)</u>	<u>(8,436)</u>	<u>(6,614)</u>	<u>(17,685)</u>	<u>(14,459)</u>
<b>Net Change in Total OPEB Liability</b>	5,891	499,870	4,611	(511,675)	56,502	638,128
Beginning of year	<u>687,436</u>	<u>187,566</u>	<u>182,955</u>	<u>694,630</u>	<u>638,128</u>	<u>-</u>
End of year	<u>\$ 693,327</u>	<u>\$ 687,436</u>	<u>\$ 187,566</u>	<u>\$ 182,955</u>	<u>\$ 694,630</u>	<u>\$ 638,128</u>
<b>Covered Employee Payroll</b>	<u>\$ 407,973</u>	<u>\$ 452,817</u>	<u>\$ 423,868</u>	<u>\$ 334,181</u>	<u>\$ 334,181</u>	<u>\$ 493,399</u>
<b>Total OPEB Liability as a Percentage of Covered Employee Payroll</b>	<u>169.94%</u>	<u>151.81%</u>	<u>44.25%</u>	<u>54.75%</u>	<u>207.86%</u>	<u>129.33%</u>
<b>Notes to Schedule</b>						
Changes of assumptions and other inputs reflected the effects of changes in the discounts rate each period.	<u>4.43%</u>	<u>4.28%</u>	<u>3.77%</u>	<u>4.05%</u>	<u>1.84%</u>	<u>2.00%</u>

The schedule is provided beginning with the District's year ended December 31, 2020 and is intended to show a ten year trend. Additional years will be reported as they become available.

**SCHEDULE OF THE DISTRICT'S PROPORTIONATE  
SHARE OF THE NET PENSION LIABILITY**

**Terrebonne Parish Fire District No. 10**  
Theriot, Louisiana

For the ten years ended December 31, 2025

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
District's proportion of the net pension liability	<u>0.1289%</u>	<u>0.1393%</u>	<u>0.1400%</u>	<u>0.1163%</u>	<u>0.1257%</u>	<u>0.1657%</u>	<u>0.1680%</u>	<u>0.1764%</u>	<u>0.1775%</u>	<u>0.1712%</u>
District's proportionate share of the net pension liability	<u>\$542,757</u>	<u>\$784,501</u>	<u>\$913,498</u>	<u>\$819,826</u>	<u>\$445,625</u>	<u>\$1,148,253</u>	<u>\$1,052,233</u>	<u>\$1,014,908</u>	<u>\$1,017,162</u>	<u>\$1,120,077</u>
District's covered-employee payroll	<u>\$397,704</u>	<u>\$400,379</u>	<u>\$375,718</u>	<u>\$300,926</u>	<u>\$350,857</u>	<u>\$412,419</u>	<u>\$406,122</u>	<u>\$420,079</u>	<u>\$414,340</u>	<u>\$386,115</u>
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	<u>136.47%</u>	<u>195.94%</u>	<u>243.13%</u>	<u>272.43%</u>	<u>127.01%</u>	<u>278.42%</u>	<u>259.09%</u>	<u>241.60%</u>	<u>245.49%</u>	<u>290.09%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>86.96%</u>	<u>81.68%</u>	<u>77.69%</u>	<u>74.68%</u>	<u>86.78%</u>	<u>72.61%</u>	<u>73.96%</u>	<u>74.76%</u>	<u>73.55%</u>	<u>68.16%</u>

The schedule is provided beginning with the District's year ended December 31, 2016 and is intended to show a ten year trend.

**SCHEDULE OF THE DISTRICT’S CONTRIBUTIONS**

**Terrebonne Parish Fire District No. 10**

Theriot, Louisiana

For the ten years ended December 31, 2025

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required contributions	\$ 129,551	\$ 134,028	\$ 131,316	\$ 112,423	\$ 97,920	\$ 113,631	\$ 115,488	\$ 104,580	\$ 111,854	\$ 105,873
Contributions in relation to the contractually required contribution	<u>129,551</u>	<u>134,028</u>	<u>131,316</u>	<u>112,423</u>	<u>97,920</u>	<u>113,631</u>	<u>115,488</u>	<u>104,580</u>	<u>111,854</u>	<u>105,873</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District’s covered-employee payroll	<u>\$ 389,627</u>	<u>\$ 403,091</u>	<u>\$ 394,934</u>	<u>\$ 335,738</u>	<u>\$ 296,982</u>	<u>\$ 379,798</u>	<u>\$ 425,632</u>	<u>\$ 394,643</u>	<u>\$ 432,015</u>	<u>\$ 403,492</u>
Contributions as a percentage of covered-employee payroll	<u>33.25%</u>	<u>33.25%</u>	<u>33.25%</u>	<u>33.49%</u>	<u>32.97%</u>	<u>29.92%</u>	<u>27.13%</u>	<u>26.50%</u>	<u>25.89%</u>	<u>26.24%</u>

The schedule is provided beginning with the District’s year ended December 31, 2016 and is intended to show a ten year trend.

**SUPPLEMENTARY INFORMATION**

**SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER  
PAYMENTS TO AGENCY HEAD OR CHIEF EXECUTIVE OFFICER**

**Terrebonne Parish Fire District No. 10**  
Theriot, Louisiana

December 31, 2025

**Agency Head Name:** Bryan Hebert, Fire Chief

**Purpose:**

Salary	\$ 86,221
Benefits - insurance	13,850
Benefits - retirement	-
Benefits - other	-
Car allowance	-
Vehicle provided by government	-
Per diem	-
Reimbursements	-
Travel	-
Registration fees	-
Conference travel	-
Continuing professional education fees	-
Housing	-
Unvouchered expenses	-
Meals	-
	<hr/>
	<b>\$ 100,071</b>
	<hr/>

Note:

The Fire Chief of the District functions as Chief Executive Officer.

**SPECIAL REPORTS OF CERTIFIED PUBLIC ACCOUNTANTS**

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

To the Board of Commissioners,  
Terrebonne Parish Fire District No. 10,  
Theriot, Louisiana.

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of Terrebonne Parish Fire District No. 10 (the “District”) as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the District’s financial statements and have issued our report thereon dated April 28, 2026.

**Report on Internal Control Over Financial Reporting**

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

A *deficiency* in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the District’s financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weakness or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be a material weakness. However, material weaknesses or significant deficiencies may exist that have not been identified.

## **Report on Compliance and Other Matters**

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

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District'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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Certified Public Accountants.

Houma, Louisiana,  
April 28, 2026.

**SCHEDULE OF FINDINGS AND RESPONSES**

**Terrebonne Parish Fire District No. 10**  
Theriot, Louisiana

For the year ended December 31, 2025

**Section I - Summary of Auditor's Results**

a) Financial Statements

Type of auditor's report issued: unmodified  
Internal control over financial reporting:

- Material weakness(es) identified?                    \_\_\_ Yes  X  No
- Significant deficiency(ies) identified that are  
not considered to be a material weakness?        \_\_\_ Yes  X  None reported

Noncompliance material to financial statements noted? \_\_\_ Yes  X  No

b) Federal Awards

Terrebonne Parish Fire District No. 10 did not expend federal awards in excess of \$1,000,000 during the year ended December 31, 2025 and therefore is exempt from the audit requirements under the *Uniform Guidance*.

**Section II - Financial Statement Findings**

No financial statement findings were noted during the audit for the year ended December 31, 2025.

**Section III - Federal Award Findings and Questioned Costs**

Not applicable.

**REPORTS BY MANAGEMENT**

## **SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES**

### **Terrebonne Parish Fire District No. 10 Theriot, Louisiana**

For the year ended December 31, 2025

#### **Section I - Internal Control Over Financial Reporting and Compliance and Other Matters Material to the Financial Statements**

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

No material weaknesses were reported during the audit for the year ended December 31, 2024.

No significant deficiencies were reported during the audit for the year ended December 31, 2024.

##### **Internal Control Over Compliance and Other Matters**

No compliance findings material to the financial statements were reported during the audit for the year ended December 31, 2024.

#### **Section II - Federal Award Findings and Questioned Cost**

Terrebonne Parish Fire District No. 10 did not expend federal awards in excess of \$750,000 during the year ended December 31, 2024, and therefore is exempt from the audit requirements under the *Uniform Guidance*.

#### **Section III Management Letter**

A management letter was not issued in connection with the audit for the year ended December 31, 2024.

# **MANAGEMENT'S CORRECTIVE ACTION PLAN**

## **Terrebonne Parish Fire District No. 10 Theriot, Louisiana**

For the year ended December 31, 2025

### **Section I - Internal Control Over Financial Reporting and Compliance and Other Matters Material to the Financial Statements**

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

No material weaknesses were reported during the audit for the year ended December 31, 2025.

No significant deficiencies were reported during the audit for the year ended December 31, 2025.

#### **Internal Control Over Compliance and Other Matters**

No compliance findings material to the financial statements were reported during the audit for the year ended December 31, 2025.

### **Section II - Internal Control and Compliance Material to Federal Awards**

Terrebonne Parish Fire District No. 10 did not expend federal awards in excess of \$1,000,000 during the year ended December 31, 2025, and therefore is exempt from the audit requirements under the *Uniform Guidance*.

### **Section III - Management Letter**

A management letter was not issued in connection with the audit for the year ended December 31, 2025.

**STATEWIDE AGREED-UPON PROCEDURES**

**INDEPENDENT ACCOUNTANT’S REPORT ON**  
**APPLYING AGREED-UPON PROCEDURES**

To the Board of Commissioners,  
Terrebonne Parish Fire District No. 10,  
Theriot, Louisiana.

We have performed the procedures described in Schedule 5 on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor’s (LLA) Statewide Agreed-Upon Procedures (SAUP) for the fiscal period January 1, 2025 through December 31, 2025. Terrebonne Parish Fire District No. 10 (the “District”) management is responsible for those C/C areas identified in the SAUPs.

The District has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in the LLA’s SAUPs for the fiscal period January 1, 2025 through December 31, 2025. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purpose. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are described in Schedule 5.

We were engaged by the District to perform this agreed-upon procedures engagement and conducted our engagement in accordance with the attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on these C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

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

*Bourgeois Bennett, L.L.C.*

Certified Public Accountants.

Houma, Louisiana,  
April 28, 2026.

**SCHEDULE OF PROCEDURES AND ASSOCIATED FINDINGS**  
**OF THE STATEWIDE AGREED-UPON PROCEDURES**

**Terrebonne Parish Fire District No. 10**  
 Theriot, Louisiana

For the year ended December 31, 2025

The required procedures and our findings are as follows:

**1) Procedures Performed on the District's Written Policies and Procedures:**

- A. Obtain and inspect the District's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the District's operations:
- i. **Budgeting**, including preparing, adopting, monitoring, and amending the budget.  
 Performance: Obtained and read the written policy for budgeting and found it to address all the functions listed above.  
 Exceptions: There were no exceptions noted.
  - ii. **Purchasing**, including (1) how purchases are initiated, (2) how vendors are added to the vendor list, (3) the preparation and approval process of purchase requisitions and purchase orders, (4) controls to ensure compliance with the Public Bid Law, and (5) documentation required to be maintained for all bids and price quotes.  
 Performance: Obtained and read the written policy for purchasing and found it to address all the functions listed above.  
 Exceptions: There were no exceptions noted.
  - iii. **Disbursements**, including processing, reviewing, and approving.  
 Performance: Obtained and read the written policy for disbursements and found it to address all the functions listed above.  
 Exceptions: There were no exceptions noted.
  - iv. **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or District fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, District fund forfeiture monies confirmation).  
 Performance: Obtained and read the written policy for receipts/collections and found it to address all the functions listed above.  
 Exceptions: There were no exceptions noted.

1) **Procedures Performed on the District's Written Policies and Procedures: (Continued)**

- v. **Payroll/Personnel**, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee rates of pay or approval and maintenance of pay rate schedules.  
Performance: Obtained and read the written policy for payroll and personnel and found it to address all the functions listed above.  
Exceptions: There were no exceptions noted.
- vi. **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.  
Performance: Obtained and read the purchasing handbook for contracting and found it to address all the functions listed above.  
Exceptions: There were no exceptions noted.
- vii. **Travel and Expense Reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.  
Performance: Obtained and read the written policy for travel and expense reimbursement and found it to address all the functions listed above.  
Exceptions: There were no exceptions noted.
- viii. **Credit Cards** (and debit cards, fuel cards, purchase cards, if applicable), including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).  
Performance: Obtained and read the written policy for credit cards and found it to address all the functions listed above.  
Exceptions: There were no exceptions noted.
- ix. **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the District's ethics policy.  
Performance: Obtained and read the written policy for ethics and found it to address all the functions listed above.  
Exceptions: There were no exceptions noted.
- x. **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.  
Performance: Obtained and read the written policy for debt service and found it to address all the functions listed above.  
Exceptions: There were no exceptions noted.

**1) Procedures Performed on the District's Written Policies and Procedures: (Continued)**

- xi. **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups; (2) storage of backups in a separate physical location isolated from the network; (3) periodic testing/verification that backups can be restored; (4) use of antivirus software on all systems; (5) timely application of all available system and software patches/updates; and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

Performance: Obtained and read the District's information technology disaster recovery/business continuity policy and found it to address all the functions listed above.

Exceptions: There were no exceptions noted.

- xii. **Prevention of Sexual Harassment**, including R.S. 42:342-344 requirements for (1) District responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

Performance: Obtained and read the written policy for sexual harassment and found it to address all the functions listed above.

Exceptions: There were no exceptions noted.

**2) Procedures Performed on the District's Board:**

- A. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:

- i. Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

Performance: Obtained and read the written minutes of the Board meetings. The Board met with a quorum for each meeting.

Exceptions: There were no exceptions noted.

- ii. For those entities reporting on the governmental accounting model, review the minutes from all regularly scheduled board/finance committee meetings held during the fiscal year and observe whether the minutes from at least one meeting each month referenced or included monthly budget-to-actual comparisons on the General Fund, quarterly budget-to-actual comparisons, at a minimum, on all proprietary funds, and semi-annual budget-to-actual comparisons, at a minimum, on all special revenue funds.

Performance: Inspected meeting minutes to determine if the minutes included references to budget-to-actual comparisons for the General Fund.

Exceptions: There were no exceptions noted.

**2) Procedures Performed on the District's Board: (Continued)**

- iii. For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the General Fund. If the General Fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the General Fund.

Performance: Obtained the prior year's audit report and observed the unassigned fund balance in the General Fund. The General Fund did not have a negative ending unassigned fund balance.

Exceptions: There were no exceptions noted.

- iv. Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

Performance: Obtained and read the written minutes of the Board meetings.

Exceptions: There were no exceptions noted.

**3) Procedures Performed on the District's Bank Reconciliations:**

- A. Obtain a listing of the District's bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the District's main operating account. Select the District's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:

Performance: Obtained the listing of bank accounts from management and received management's representation in a separate letter.

Exceptions: There were no exceptions noted.

- i. Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged).

Performance: Obtained monthly bank reconciliation for the month of December for the main operating bank account and 2 additional accounts. Inspected management's documentation for timely preparation of the bank reconciliations.

Exceptions: There were no exceptions noted.

- ii. Bank reconciliations include written evidence that a member of management or a board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation within 1 month of the date the reconciliation was prepared (e.g., initialed and dated or electronically logged).

Performance: Inspected the District's documentation for the December bank reconciliations for the 3 bank accounts selected and noted documentation of timely review.

Exceptions: There were no exceptions noted.

**3) Procedures Performed on the District's Bank Reconciliations: (Continued)**

iii. Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Performance: Inspected documents for items outstanding for more than 12 months.

Exceptions: There were no exceptions noted.

**4) Procedures Performed on the District's Collections (Excluding Electronic Funds Transfers):**

A. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

Performance: Obtained the listing of deposit sites from management and received management's representation in a separate letter. The District only has one deposit site.

Exceptions: There were no exceptions noted.

B. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (e.g., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if there are no written policies or procedures, then inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

Performance: Obtained the listing of collection locations from management and received management's representation in a separate letter. The District has one collection location.

Exceptions: There were no exceptions noted.

i. Employees responsible for cash collections do not share cash drawers/registers.

Performance: Inspected policy manuals, inquired of client as to all of the requirements.

Exceptions: There were no exceptions noted.

ii. Each employee responsible for collecting cash is not also responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit.

Performance: Inspected policy manuals, inquired of client as to all of the requirements.

Exceptions: There were no exceptions noted.

4) Procedures Performed on the District's Collections (Excluding Electronic Funds Transfers):  
(Continued)

iii. Each employee responsible for collecting cash is not also responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.

Performance: Inspected policy manuals, inquired of client as to all of the requirements.

Exceptions: There were no exceptions noted.

iv. The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or custodial fund additions, is (are) not also responsible for collecting cash, unless another employee/official verifies the reconciliation.

Performance: Inspected policy manuals, inquired of client as to all of the requirements.

Exceptions: There were no exceptions noted.

C. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe that the bond or insurance policy for theft was in force during the fiscal period.

Performance: Inquired of management and observed insurance coverage for theft.

Exceptions: There were no exceptions noted.

D. Randomly select 2 deposit dates for each of the District's 3 bank accounts selected for Bank Reconciliations procedure #3A (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternatively, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and

i. Observe that receipts are sequentially pre-numbered.

Performance: Obtained supporting documentation for the selected deposits and observed that receipts were sequentially pre-numbered.

Exceptions: There were no exceptions noted.

ii. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.

Performance: Traced supporting documentation to the deposit slip.

Exceptions: There were no exceptions noted.

iii. Trace the deposit slip total to the actual deposit per the bank statement.

Performance: Traced deposit slip total to actual deposit per bank statement.

Exceptions: There were no exceptions noted.

**4) Procedures Performed on the District's Collections (Excluding Electronic Funds Transfers):**

- iv. Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).

Performance: Observed that deposits not made within one business day of receipt were stored securely in a locked safe.

Exceptions: There were no exceptions noted.

- v. Trace the actual deposit per the bank statement to the general ledger.

Performance: Traced the actual deposit per the bank statement to the general ledger.

Exceptions: There were no exceptions noted.

**5) Procedures Performed on the District's Non-Payroll Disbursements (Excluding Card Purchases, Travel Reimbursements, and Petty Cash Purchases):**

- A. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).

Performance: Obtained a listing of locations that process payments for the fiscal period from management and received management's representation in a separate letter. The District only has one location that processes payments.

Exceptions: There were no exceptions noted.

- B. For each location selected under procedure #5A, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the District has no written policies and procedures, then inquire of employees about their job duties), and observe that job duties are properly segregated such that:

Performance: Obtained a listing of employees involved in non-payroll purchasing and payment functions and reviewed written policies and procedures related to employee job duties. Observed if the job duties were properly segregated.

Exceptions: There were no exceptions noted.

- i. At least 2 employees are involved in initiating a purchase request, approving a purchase, and placing an order or making the purchase.

Performance: Obtained a listing of employees/contractors involved in initiating a purchase request, approving a purchasing, and placing an order/making a purchase. Observed at least 2 employees/contractors are involved.

Exceptions: There were no exceptions noted.

**5) Procedures Performed on the District's Non-Payroll Disbursements (Excluding Card Purchases, Travel Reimbursements, and Petty Cash Purchases): (Continued)**

- ii. At least 2 employees are involved in processing and approving payments to vendors.  
Performance: Obtained a listing of employees/contractors involved in processing and approving payments to vendors. Observed at least 2 employees/contractors are involved.  
Exceptions: There were no exceptions noted.
  - iii. The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.  
Performance: Obtained a listing of employees/contractors involved in processing payments to vendors. Observed that employees processing payments are not involved in adding/modifying vendor files.  
Exceptions: There were no exceptions noted.
  - iv. Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.  
Performance: Obtained a listing of employees/contractors involved with signing and mailing checks and noted proper segregation of duties.  
Exceptions: There were no exceptions noted.
  - v. Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.  
Performance: Obtained a listing of employees authorized to sign checks and noted they are the only employees/officials who can approve electronic disbursements.  
Exceptions: There were no exceptions noted.
- C. For each location selected under procedure #5A, obtain the District's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction, and:
- Performance: Obtained the District's non-payroll disbursement transaction population and management's representation that the population is complete. Randomly selected 5 disbursements.  
Exceptions: There were no exceptions noted.
- i. Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation indicates that deliverables included on the invoice were received by the District.  
Performance: Observed the 5 disbursements matched the related original invoice/billing statements and indicated the receipt of deliverables.  
Exceptions: There were no exceptions noted.

**5) Procedures Performed on the District's Non-Payroll Disbursements (Excluding Card Purchases, Travel Reimbursements, and Petty Cash Purchases):**

- ii. Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under procedure #5B, as applicable.

Performance: Observed the 5 disbursements included evidence of segregation of duties.

Exceptions: There were no exceptions noted.

- D. Using the District's main operating account and the month selected in Bank Reconciliations procedure #3A, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the District's policy, and (b) approved by the required number of authorized signers per the District's policy.

Performance: Observed that selected disbursements were approved by authorized persons and required number of signers.

Exceptions: There were no exceptions noted.

**6) Procedures Performed on the District's Credit Cards, Debit Cards, Fuel Cards, Purchase Cards (Cards):**

- A. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and purchase cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

Performance: Obtained a listing of all active credit cards, bank debit cards, fuel cards, and purchase cards from management and management's representation that the listing is complete. Observed all active cards, including the card numbers and the names of the persons who maintain possession of the cards.

Exceptions: There were no exceptions noted.

- B. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement). Obtain supporting documentation, and:

- i. Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., itemized receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved) by someone other than the authorized card holder (those instances requiring such approval that may constrain the legal authority of certain public officials, such as the mayor of a Lawrason Act municipality, should not be reported); and

Performance: Observed evidence that the statement and supporting documentation was reviewed and approved, in writing, by someone other than the authorized card holder.

Exceptions: There were no exceptions noted.

**6) Procedures Performed on the District's Credit Cards, Debit Cards, Fuel Cards, Purchase Cards (Cards): (Continued)**

- ii. Observe that finance charges and late fees were not assessed on the selected statements.  
Performance: Observed finance charges and/or late fees were not assessed on the selected statements.  
Exceptions: There were no exceptions noted.
  
- C. Using the monthly statements or combined statements selected under procedure #6B, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (e.g., each card should have 10 transactions subject to inspection). For each transaction, report whether the transaction is supported by:
  - i. An original itemized receipt that identifies precisely what was purchased.  
Performance: Observed if the transactions from the monthly statements were supported by original itemized receipts that identifies precisely what was purchased.  
Exceptions: There were no exceptions noted.
  
  - ii. Written documentation of the business/public purpose.  
Performance: Observed the transactions from the monthly statements were supported with written documentation of the business/public purpose.  
Exceptions: There were no exceptions noted.
  
  - iii. Documentation of the individuals participating in meals (for meal charges only).  
Performance: Observed transactions for any meal charges and documentation of the individuals participating in meals.  
Exceptions: There were no exceptions noted.
  
- D. Using the list of terminated employees obtained in Payroll and Personnel procedure #9C identify those individuals who had access to cards and randomly select 5 terminated employees (or all terminated employees with card access if less than 5) from this population. Observe evidence that the cards have been deactivated for these terminated employees. In cases where a card is shared by multiple users, obtain evidence that the terminated employees' authorization has been removed.  
performance: Obtained the listing of terminated employees and inquired of management if any terminated employees had access to cards.  
Exceptions: There were no exceptions noted.

**6) Procedures Performed on the District's Travel and Travel-Related Expense Reimbursements (Excluding Card Transactions):**

A. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements and obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:

Performance: Obtained general ledger for travel and travel-related expense reimbursements and management's representation that the listing is complete. No travel-related expense reimbursements noted.

Exceptions: There were no exceptions noted.

i. If reimbursed using a per diem, observe that the approved reimbursement rate is no more than those rates established either by the State of Louisiana ([doa.la.gov/doa/ost/ppm-49-travel-guide/](http://doa.la.gov/doa/ost/ppm-49-travel-guide/)) or the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov)).

Performance: No travel related expense reimbursements noted in the fiscal year.

Exceptions: There were no exceptions noted.

ii. If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.

Performance: No travel related expense reimbursements noted in the fiscal year.

Exceptions: There were no exceptions noted.

iii. Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by Written Policies and Procedures procedure #1A(vii).

Performance: No travel related expense reimbursements noted in the fiscal year.

Exceptions: There were no exceptions noted.

iv. Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Performance: No travel related expense reimbursements noted in the fiscal year.

Exceptions: There were no exceptions noted.

**7) Procedures Performed on the District's Contracts:**

A. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternatively, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:

Performance: Inquired if there were any contracts initiated during the fiscal period. The

District did not initiate or renew any contracts.

Exceptions: There were no exceptions noted.

**8) Procedures Performed on the District's Contracts:**

- i. Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.  
Performance: The District did not initiate or renew any contracts during the fiscal period.  
Exceptions: There were no exceptions noted.
- ii. Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter).  
Performance: The District did not initiate or renew any contracts during the fiscal period.  
Exceptions: There were no exceptions noted.
- iii. If the contract was amended (e.g., change order), observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, the documented approval).  
Performance: The District did not initiate or renew any contracts during the fiscal period.  
Exceptions: There were no exceptions noted.
- iv. Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.  
Performance: The District did not initiate or renew any contracts during the fiscal period.  
Exceptions: There were no exceptions noted.

**9) Procedures Performed on the District's Payroll and Personnel:**

- A. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.  
Performance: Obtained the listing of employees and their related salaries from management and management's representations that the listing is complete.  
Exceptions: There were no exceptions noted.

**9) Procedures Performed on the District's Payroll and Personnel: (Continued)**

B. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under procedure #9A, obtain attendance records and leave documentation for the pay period, and:

i. Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory).

Performance: Selected one pay period to test leave taken during that period. Inspected all daily attendance and leave records for proper documentation.

Exceptions: There were no exceptions noted.

ii. Observe whether supervisors approved the attendance and leave of the selected employees or officials.

Performance: Inspected the approval of attendance and leave by the supervisors for the selected employee/officials.

Exceptions: There were no exceptions noted.

iii. Observe that any leave accrued or taken during the pay period is reflected in the District's cumulative leave records.

Performance: Inspected any leave accrued or taken during the pay period was reflected in the cumulative leave records.

Exceptions: There were no exceptions noted.

iv. Observe the rate paid to the employees or officials agrees to the authorized salary/pay rate found within the personnel file.

Performance: Inspected and agreed the rate paid to employees to the authorized pay rate in the personnel files.

Exceptions: There were no exceptions noted.

C. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials and obtain related documentation of the hours and pay rates used in management's termination payment calculations and the District's policy on termination payments. Agree the hours to the employee's or official's cumulative leave records, agree the pay rates to the employee's or official's authorized pay rates in the employee's or official's personnel files, and agree the termination payment to the District's policy.

Performance: Inquired of management of those employees/officials that terminated during the fiscal period and management's representation that the list is complete.

Agreed the hours to the employees' cumulative leave records, agreed the pay rates to the employees' authorized rates in the employees' personnel file and agreed the termination payment to the District's policy for the employees selected.

Exceptions: There were no exceptions noted.

**9) Procedures Performed on the District's Payroll and Personnel: (Continued)**

- D. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums) have been paid, and any associated forms have been filed, by required deadlines.

Performance: Inspected payroll reporting forms to confirm that all payments were submitted to the applicable agencies by the required deadlines and obtained management's representation in a separate letter.

Exceptions: There were no exceptions noted.

**10) Procedures Performed on the District's Ethics:**

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A obtain ethics documentation from management, and:

- i. Observe whether the documentation demonstrates that each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170.

Performance: Inspected personnel files and ethics course completion certificates for the 5 employees tested.

Exceptions: There were no exceptions noted.

- ii. Observe whether the District maintains documentation which demonstrates that each employee and official were notified of any changes to the District's ethics policy during the fiscal period, as applicable.

Performance: There were no changes to the ethics policy during the fiscal year.

Exceptions: There were no exceptions noted.

- B. Inquire and/or observe whether the District has appointed an ethics designee as required by R.S. 42:1170.

Performance: We inquired as to whether the District appointed an ethics designee.

Exceptions: There were no exceptions noted.

**11) Procedures Performed on the District's Debt Service:**

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

Performance: Inquired of management regarding a listing of bonds/notes issued during the fiscal period, none were noted.

Exceptions: There were no exceptions noted.

**11) Procedures Performed on the District's Debt Service: (Continued)**

- B. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).  
Performance: Obtained a listing of bonds/notes outstanding at the end of the fiscal period and management's representation in a separate letter. There are no bonds outstanding.  
Exceptions: There were no exceptions noted.

**12) Procedures Performed on the District's Fraud Notice:**

- A. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the District reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the District is domiciled as required by R.S. 24:523.  
Performance: Inquired of management of any misappropriations of public funds and assets during the fiscal period and management's representation in a separate letter.  
Exceptions: There were no exceptions noted.
- B. Observe that the District has posted, on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.  
Performance: Observed fraud notice posted on the premises and website concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.  
Exceptions: There were no exceptions noted.

**13) Procedures Performed on the District's Information Technology Disaster Recovery/ Business Continuity:**

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

- A. Obtain and inspect the District's most recent documentation that it has backed up its critical data (if there is no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the District's local server or network, and (c) was encrypted.  
Performance: We performed the procedure and discussed the results with management.
- B. Obtain and inspect the District's most recent documentation that it has tested/verified that its backups can be restored (if there is no written documentation, then inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.  
Performance: We performed the procedure and discussed the results with management.

**13) Procedures Performed on the District's Information Technology Disaster Recovery/  
Business Continuity: (Continued)**

- C. Obtain a listing of the District's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

Performance: We performed the procedure and discussed the results with management.

- D. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in Payroll and Personnel procedure #9C. Observe evidence that the selected terminated employees have been removed or disabled from the network.

Performance: We performed the procedure and discussed the results with management.

- E. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain cybersecurity training documentation from management, and observe that the documentation demonstrates that the following employees/officials with access to the District's information technology assets have completed cybersecurity training as required by R.S. 42:1267. The requirements are as follows:

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

Performance: We performed the procedure and discussed the results with management.

**14) Procedures Performed on the District's Prevention of Sexual Harassment:**

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.

Performance: Inquired about sexual harassment training documentation for the 5 employees tested.

Exceptions: There were no exceptions noted.

- B. Observe that the District has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the District's premises if the District does not have a website).

Performance: Inquired of management regarding the sexual harassment policy and complaint procedure on its website or on the entity's premises.

Exceptions: There were no exceptions noted.

**14) Procedures Performed on the District's Prevention of Sexual Harassment: (Continued)**

C. Obtain the District's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe that the report includes the applicable requirements of R.S. 42:344.

Performance: Obtained the District's annual sexual harassment report.

Exceptions: There were no exceptions noted.

i. Number and percentage of public servants in the District who have completed the training requirements.

Performance: Obtained the annual sexual harassment report to observe it contained the above requirement.

Exceptions: There was an exception noted due to the report lacking the number and percentage of public servants in the District who have completed the training requirements.

ii. Number of sexual harassment complaints received by the District.

Performance: Obtained the annual sexual harassment report to observe it contained the above requirement.

Exceptions: There were no exceptions noted.

iii. Number of complaints which resulted in a finding that sexual harassment occurred.

Performance: Obtained the annual sexual harassment report to observe it contained the above requirement.

Exceptions: There were no exceptions noted.

iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action.

Performance: Obtained the annual sexual harassment report to observe it contained the above requirement.

Exceptions: There were no exceptions noted.

v. Amount of time it took to resolve each complaint.

Performance: Obtained the annual sexual harassment report to observe it contained the above requirement.

Exceptions: There were no exceptions noted.

**Management's Overall Response to Exceptions:**

14)C(i) Management will ensure that the annual sexual harassment report contains the number and percentage of employees who have completed the training requirements.