

**East Central Bossier Parish Fire District No. 1
Haughton, Louisiana**

Financial Statements With Auditor's Report

As of and For the Year Ended December 31, 2025

East Central Bossier Parish Fire District No. 1
Haughton, Louisiana

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Independent Auditors' Report

Board of Commissioners
East Central Bossier Parish Fire District No. 1
Haughton, Louisiana

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities and major fund of East Central Bossier Parish Fire District No. 1, a component unit of the Bossier Parish Police Jury, as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the East Central Bossier Parish Fire District No. 1's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and major fund of East Central Bossier Parish Fire District No. 1, as of December 31, 2025, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of East Central Bossier Parish Fire District No. 1 and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about East Central Bossier Parish Fire District No. 1's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee

that an audit conducted in accordance with GAAS 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 judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of East Central Bossier Parish Fire District No. 1'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 East Central Bossier Parish Fire District No. 1's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 – 9, budgetary comparison information on pages 35 – 36, the Schedule of Contributions on page 37, and the Schedule of Proportionate Share of Net Pension Liability on page 38, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

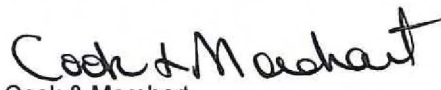
Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the East Central Bossier Parish Fire District No. 1's basic financial statements. The accompanying other supplementary information, Schedule of Compensation, Benefits, and Other Payments to Agency Head, shown on page 39, 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. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other

records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Compensation, Benefits, and Other Payments to Agency Head shown on page 39 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 June 22, 2026, on our consideration of East Central Bossier Parish Fire District No. 1's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely 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 East Central Bossier Parish Fire District No. 1'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 East Central Bossier Parish Fire District No. 1's internal control over financial reporting and compliance.


Cook & Morehart,
Certified Public Accountants, LLC
June 22, 2026

EAST CENTRAL BOSSIER PARISH FIRE DISTRICT NO. 1

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of East Central Bossier Parish Fire District No. 1's financial performance provides an overview of the East Central Bossier Parish Fire District No. 1's financial activities for the fiscal year ended December 31, 2025. Please read it in conjunction with the District's financial statements, which begin on page 10.

FINANCIAL HIGHLIGHTS

The East Central Bossier Parish Fire District No. 1's net position increased by \$58,399 or 2%.

The East Central Bossier Parish Fire District No. 1's total general revenues were \$2,162,225 in 2025 compared to \$2,139,791 in 2024.

During the year ended December 31, 2025, the East Central Bossier Parish Fire District No. 1 had total expenses, excluding depreciation, of \$2,204,430 compared to \$2,336,031 in 2024.

The East Central Bossier Parish Fire District No. 1's net pension liability decreased \$353,636 from \$1,502,360, in 2024 to \$1,148,724, in 2025.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (on pages 10 and 11) provide information about the activities of the East Central Bossier Parish Fire District No. 1 as a whole and present a longer-term view of the District's finances. Fund financial statements start on page 12. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the East Central Bossier Parish Fire District No. 1's operations in more detail than the government-wide statements by providing information about the East Central Bossier Parish Fire District No. 1's most significant funds.

The East Central Bossier Parish Fire District No. 1 was determined to be a component unit of the Bossier Parish Police Jury. The police jury is financially accountable for the district because it appoints or ratifies a voting majority of the board and has the ability to impose its will on them. The accompanying financial statements present information only on the funds maintained by the East Central Bossier Parish Fire District No. 1.

Reporting the East Central Bossier Parish Fire District No. 1 as a Whole

Our analysis of the East Central Bossier Parish Fire District No. 1 as a whole begins on page 10. One of the most important questions asked about the East Central Bossier Parish Fire District No. 1's finances is "Is the East Central Bossier Parish Fire District No. 1 as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of

Activities report information about the funds maintained by the East Central Bossier Parish Fire District No. 1 as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual *basis of accounting*, which is similar to the accounting used by most private-sector companies. Accrual of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the East Central Bossier Parish Fire District No. 1's *net position* and changes in it. You can think of the East Central Bossier Parish Fire District No. 1's net position – the difference between assets and liabilities – as one way to measure the East Central Bossier Parish Fire District No. 1's financial health, or *financial position*. Over time, *increases* or *decreases* in the East Central Bossier Parish Fire District No. 1's net position are one indicator of whether its *financial health* is improving or deteriorating. You will need to consider other non-financial factors, however, such as changes in the District's property tax base, to assess the overall health of the District.

In the Statement of Net Position and the Statement of Activities, we record the funds maintained by the East Central Bossier Parish Fire District No. 1 as governmental activities:

Governmental activities – all of the expenses paid from the funds maintained by the East Central Bossier Parish Fire District No. 1 are reported here which consists primarily of personal services, materials and supplies, travel, repairs and maintenance and other program services. Ad valorem taxes finance most of these activities.

Reporting the District's Most Significant Funds

Our analysis of the major funds maintained by the East Central Bossier Parish Fire District No. 1 begins on page 12. The fund financial statements begin on page 12 and provide detailed information about the most significant funds maintained by the East Central Bossier Parish Fire District No. 1 – not the East Central Bossier Parish Fire District No. 1 as a whole. The East Central Bossier Parish Fire District No. 1's *governmental funds* use the following accounting approaches:

Governmental funds – All of the East Central Bossier Parish Fire District No. 1's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other financial assets that can readily be converted to cash.

The governmental fund statements provide a detailed *short-term view* of the East Central Bossier Parish Fire District No. 1's general government operations and the expenses paid from those funds. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance certain East Central Bossier Parish Fire District No. 1 expenses. We describe the relationship (or differences) between governmental *activities* (reported in the Statement of Net Position and the Statement of Activities) and governmental *funds* in a reconciliation at the bottom of the fund financial statements.

THE EAST CENTRAL BOSSIER PARISH FIRE DISTRICT NO. 1 AS A WHOLE

The East Central Bossier Parish Fire District No. 1's total net position changed from a year ago, increasing from \$3,364,306 to \$3,422,705. Our analysis below will focus on key elements of the total governmental funds for both December 31, 2025 and 2024 years.

Table 1
Statement of Net Position

	Governmental Activities	
	2025	2024
Current and other assets	\$ 4,625,185	\$ 4,429,857
Capital assets	2,244,358	2,251,659
Total Assets	6,869,543	6,681,516
Deferred outflows of resources		
Pension related	481,177	517,097
Current liabilities	143,358	175,458
Long-term liabilities	1,262,383	1,611,009
Total Liabilities	1,405,741	1,786,467
Deferred inflows of resources		
Pension related	300,116	122,088
Ad valorem taxes	2,222,158	1,925,752
Total Deferred Inflows of Resources	2,522,274	2,047,840
Net Position		
Investment in capital assets	2,244,358	2,251,659
Restricted	210,296	175,825
Unrestricted	968,051	936,822
Total Net Position	\$ 3,422,705	\$ 3,364,306

Net position of the East Central Bossier Parish Fire District No. 1's governmental activities increased by \$58,399 or 2%, as shown in table 1. Unrestricted net position, the part of net position that can be used to finance East Central Bossier Parish Fire District No. 1 expenses without constraints or other legal requirements, increased from \$936,822, at December 31, 2024 to \$968,051 at December 31, 2025.

Table 2
Change in Net Position

	Governmental Activities	
	2025	2024
Revenues		
Operating grants and contributions	\$ 242,506	\$ 214,959
General Revenues		
Ad valorem taxes	1,906,041	1,786,874
Intergovernmental	134,117	128,180
Interest and dividend income	122,067	209,737
Miscellaneous		15,000
Total revenues	<u>2,404,731</u>	<u>2,354,750</u>
Expenses		
General government	70,940	66,302
Public safety - fire protection	<u>2,275,392</u>	<u>2,395,786</u>
	<u>2,346,332</u>	<u>2,462,088</u>
Increases (decrease) in net position	<u>\$ 58,399</u>	<u>\$ (107,338)</u>

Total revenues increased from total revenues in the year ended December 31, 2024 of \$2,354,750 to total revenues of \$2,404,731 in the year ended December 31, 2025. The increase is due, in part, to increased ad valorem taxes and increased operating grants and contributions.

THE DISTRICT'S FUNDS

As the District completed the year, its governmental funds (as presented in the balance sheet on page 12) reported a fund balance of \$2,119,821, which is less than last year's fund balance of \$2,176,095.

General Fund Budgetary Highlights

The District adopted a budget for its General Fund for the year ended December 31, 2025. There were no amendments to the budget during the year. The District's budgetary comparison is presented as required supplementary information and shown on page 35. Highlights for the year are as follows:

- Revenues were higher than anticipated due to high than anticipated property tax collections.
- Expenditures were lower than budgeted due to lower costs for new station construction and other building improvements than anticipated.

The District's General Fund fund balance of \$2,119,821 reported on page 14 differs from the General Fund's *budgetary* fund balance of \$2,068,258 reported in the budgetary comparison schedule on page 35. This is primarily due to the District budgeting on the cash basis of accounting.

CAPITAL ASSETS

At the end of December 31, 2025 and 2024, the East Central Bossier Parish Fire District No. 1 had invested \$2,244,358 and \$2,251,659, respectively, in capital assets. (see table below)

Table 3
Capital Assets At Year End
(Net of Depreciation)

	Governmental Activities	
	2025	2024
Land	\$ 992,019	\$ 992,019
Buildings	556,700	588,145
Equipment	15,506	20,615
Vehicles	606,006	569,149
Building Improvements	74,127	81,731
Total	<u>\$ 2,244,358</u>	<u>\$ 2,251,659</u>

This year's major additions included:

Equipment	\$ 10,745	\$
Buildings		307,790
Building improvements		32,944
Land		815,000
Vehicles	123,856	153,477
Total	<u>\$ 134,601</u>	<u>\$ 1,309,211</u>

More detailed information about the capital assets are presented in Note 6 to the financial statements.

DEBT ADMINISTRATION

Long-term liabilities of East Central Fire District #1 are summarized as follows:

Table 4
Long-term Liabilities at Year End

	Governmental Activities 2025	Governmental Activities 2024
Net pension liability	\$ 1,148,724	\$ 1,502,360
Volunteer incentive program	113,659	108,649
	<u>\$ 1,262,383</u>	<u>\$ 1,611,009</u>

More detailed information about the long-term liabilities is presented in Notes 4 and 8 to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

The East Central Bossier Parish Fire District No. 1's management considered many factors when setting a fiscal year December 31, 2025 budget. Property tax millage will remain at 19 mills. Amounts available for appropriation are expected to remain approximately the same. Expenditures for 2026 are expected to remain consistent with 2025.

CONTACTING THE FIRE DISTRICT NO. 1'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens and taxpayers with a general overview of the finances for those funds maintained by the East Central Bossier Parish Fire District No. 1 and to show the East Central Bossier Parish Fire District No. 1's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the East Central Bossier Parish Fire District No. 1.

East Central Bossier Parish Fire District No. 1
Haughton, Louisiana
Statement of Net Position
December 31, 2025

	<u>Governmental Activities</u>
ASSETS	
Cash and cash equivalents	\$ 1,939,224
Investments	113,659
Accounts receivable	2,247,158
Prepaid expenses	139,848
Restricted cash and cash equivalents	185,296
Capital assets	
Depreciable (net)	1,252,339
Non-depreciable	<u>992,019</u>
Total assets	<u>6,869,543</u>
DEFERRED OUTFLOWS OF RESOURCES	
Pension related	<u>481,177</u>
LIABILITIES	
Accounts payable and accrued expenses	143,358
Long-term liabilities:	
Due within one year	113,659
Due within more than one year	<u>1,148,724</u>
Total liabilities	<u>1,405,741</u>
DEFERRED INFLOWS OF RESOURCES	
Unavailable revenue	
Ad Valorem taxes	2,222,158
Pension related	<u>300,116</u>
Total deferred inflows of resources	<u>2,522,274</u>
NET POSITION	
Investment in capital assets	2,244,358
Restricted-Camp Minden	210,296
Unrestricted	<u>968,051</u>
Total net position	<u><u>\$ 3,422,705</u></u>

See accompanying notes to the basic financial statements.

East Central Bossier Parish Fire District No. 1
 Haughton, Louisiana
 Statement of Activities
 For the Year Ended December 31, 2025

	Governmental Activities
Expenses:	
General government	\$ 70,940
Public Safety - fire protection	<u>2,275,392</u>
Total expenses	<u>2,346,332</u>
Program revenues:	
Operating grants and contributions	<u>242,506</u>
Net program expenses	<u>(2,103,826)</u>
General revenues:	
Ad valorem taxes	1,906,041
Intergovernmental	
Fire insurance rebate	134,117
Interest and dividends	<u>122,067</u>
Total general revenues	<u>2,162,225</u>
Change in net position	58,399
Net position - beginning	<u>3,364,306</u>
Net position - ending	<u><u>\$ 3,422,705</u></u>

See accompanying notes to the basic financial statements.

East Central Bossier Parish Fire District No. 1
Haughton, Louisiana
Balance Sheet
Governmental Fund
December 31, 2025

	General Fund
Assets	
Cash and cash equivalents	\$ 1,939,224
Investments	113,659
Accounts receivable	2,247,158
Restricted cash and cash equivalents	185,296
Total assets	<u>\$ 4,485,337</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances	
Liabilities	
Accounts payable and accrued expenses	\$ 143,358
Total liabilities	<u>143,358</u>
Deferred inflows of resources	
Unavailable revenue	
Ad Valorem taxes	2,222,158
Total deferred inflows of resources	<u>2,222,158</u>
Fund balances	
Restricted-Camp Minden	210,296
Committed	
Volunteer incentive program	113,659
Capital improvements	1,469,642
Unassigned	326,224
Total fund balances	<u>2,119,821</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 4,485,337</u>

See accompanying notes to the basic financial statements.

East Central Bossier Parish Fire District No. 1
 Haughton, Louisiana
 Reconciliation of the Balance Sheet of the Governmental Fund
 to the Statement of Net Position
 December 31, 2025

Fund balances - total governmental fund	\$ 2,119,821
Amounts reported for governmental activities in the statement of activities are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	2,244,358
The nonallocation method of accounting for prepayments is used in the fund statements, since the prepayment does not provide expendable financial resources - prepaid expenses	139,848
Other long-term amounts are not available to pay for current-period expenditures and therefore are not available in the governmental funds.	
Deferred outflows - pension related	481,177
Long-term liabilities and other amounts are not due and payable in the current period and therefore are not reporting in the funds.	
VIP Program	(113,659)
Net pension liability	(1,148,724)
Deferred inflows - pension related	(300,116)
Net position of governmental activities	<u>\$ 3,422,705</u>

See accompanying notes to the basic financial statements.

East Central Bossier Parish Fire District No. 1
Haughton, Louisiana
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Fund
For the Year Ended December 31, 2025

	General Fund
Revenues	
Ad valorem taxes	\$ 1,906,041
Intergovernmental	
Fire insurance rebate	134,117
State of Louisiana	147,520
Miscellaneous	
Interest and dividends	<u>122,067</u>
Total revenues	<u>2,309,745</u>
Expenditures	
Current:	
General government	70,940
Public Safety	2,160,478
Capital Outlay	<u>134,601</u>
Total expenditures	<u>2,366,019</u>
Net change in fund balance	(56,274)
Fund balances at beginning of year	<u>2,176,095</u>
Fund balances at end of year	<u><u>\$ 2,119,821</u></u>

See accompanying notes to the basic financial statements.

East Central Bossier Parish Fire District No. 1
Haughton, Louisiana
Reconciliation of the Statement of Revenues, Expenditures, and Changes in
Fund Balances of the Governmental Fund to the Statement of Activities
For the Year Ended December 31, 2025

Net change in fund balances - total governmental fund	\$	(56,274)
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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. This is the amount by which depreciation expense (\$141,902) exceeded capital outlay (\$134,601) for the year.		(7,301)
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The nonallocation method of accounting for prepayments is used in the fund statements, since the prepayment does not provide expendable financial resources.		(12,704)
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Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.		(5,010)
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Revenues that are not available to pay current obligations are not reported in the fund financial statements, but they are presented as revenues in the statement of activities.

Non-employer contributions to cost-sharing pension plan		94,986
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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 the funds.

Pension expense		44,702
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Change in net position of governmental activities	\$	<u>58,399</u>
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See accompanying notes to the basic financial statements.

East Central Bossier Parish Fire District No. 1
Haughton, Louisiana
Notes to Financial Statements
December 31, 2025

INTRODUCTION

The East Central Bossier Parish Fire District No. 1 (the district) was created by the Bossier Parish Police Jury, as authorized by Louisiana Revised Statute (R.S.) 40:1492. The district is governed by a five member board of commissioners appointed by the Bossier Parish Police Jury. The Board of Commissioners received no compensation during 2025. The district is responsible for maintaining and operating fire stations and equipment and providing fire protection within the boundaries of the district.

(1) Summary of Significant Accounting Policies

The East Central Bossier Parish Fire District No. 1's financial statements are prepared in conformity with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established in GAAP and used by the East Central Bossier Parish Fire District No. 1 are discussed below.

A. Reporting Entity

The district is a component unit of the Bossier Parish Police Jury, the financial reporting entity. The police jury is financially accountable for the district because it appoints or ratifies a voting majority of the board and has the ability to impose its will on them.

The accompanying financial statements present information only on the funds maintained by the district and do not present information on the police jury, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

B. Basic Financial Statements – Government-Wide Statements

The East Central Bossier Parish Fire District No. 1's basic financial statements include both government-wide (reporting the funds maintained by the East Central Bossier Parish Fire District No. 1 as a whole) and fund financial statements (reporting the East Central Bossier Parish Fire District No. 1's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. The East Central Bossier Parish Fire District No. 1's general fund is classified as governmental activities. The East Central Bossier Parish Fire District No. 1 does not have any business-type activities.

In the government-wide Statement of Net Position, the governmental activities column is presented on a consolidated basis and is reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables. The East Central Bossier Parish Fire District No. 1's net position is reported in three parts – investment in capital assets, restricted, and unrestricted net position.

(Continued)

East Central Bossier Parish Fire District No. 1
Haughton, Louisiana
Notes to Financial Statements
December 31, 2025
(Continued)

The government-wide Statement of Activities reports both the gross and net cost of each of the East Central Bossier Parish Fire District No. 1's functions. The functions are supported by program revenues and general government revenues. The Statement of Activities reduces gross expenses (including depreciation) by any related program revenues, which must be directly associated with the function. Program revenues of the District consist of nonemployer contributions to cost-sharing pension plan, restricted intergovernmental revenues, and on-behalf payments from the State of Louisiana. The net costs (by function) are normally covered by general revenues.

This government-wide focus is more on the sustainability of the East Central Bossier Parish Fire District No. 1 as an entity and the change in the East Central Bossier Parish Fire District No. 1's net position resulting from the current year's activities.

C. Basic Financial Statements – Fund Financial Statements

The financial transactions of the East Central Bossier Parish Fire District No. 1 are recorded in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues and expenditures. The various funds are reported by generic classification within the financial statements.

The following fund types are used by the East Central Bossier Parish Fire District No. 1:

Governmental Funds – the focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental fund of the East Central Bossier Parish Fire District No. 1:

- a. General fund is the general operating fund of the East Central Bossier Parish Fire District No. 1. It is used to account for all financial resources except those required to be accounted for in another fund.

The emphasis in fund financial statements is on the major funds in the governmental category. GASB sets forth minimum criteria (percentage of the assets, liabilities, revenues, or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds.

The following major fund is presented in the fund financial statements:

General Fund – accounts for all financial resources except those required to be accounted for in another fund.

D. Basis of Accounting

Basis of accounting refers to the point at which revenues or expenditures are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

(Continued)

East Central Bossier Parish Fire District No. 1
Haughton, Louisiana
Notes to Financial Statements
December 31, 2025
(Continued)

1. Accrual:

The governmental funds in the government-wide financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

Revenues of the East Central Bossier Parish Fire District No. 1 consist principally of property taxes, other intergovernmental revenues, donations, and interest income. Property taxes are recorded in the year for which the taxes are levied and budgeted. Property taxes are assessed on a calendar year basis, become due on November 15 of each year, and become delinquent on December 31. The 2025 tax levy is intended to fund the 2026 fiscal year; therefore, the levy has been recorded as a receivable and deferred inflows of resources. Interest income is recorded when earned. Donations and other intergovernmental revenues are recorded when received in cash because they are generally not measurable until actually received.

2. Modified Accrual:

The governmental funds financial statements are presented on the modified accrual basis of accounting. Under modified accrual basis of accounting, revenues are recorded when susceptible to accrual: i.e., both measurable and available. "Available" means collectible within the current period or within 60 days after year end. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this rule is that principal and interest on general obligation long-term debt, if any, is recognized when due. Depreciation is not recognized in the governmental fund financial statements.

E. Budgets

The district uses the following budget practices:

1. A preliminary budget for the ensuing year is prepared by the Board of Commissioners prior to December 16 of each year and is made available for public inspection.
2. After completion of all action necessary to finalize and implement the budget, the budget is adopted through passage of a resolution.
3. All budgetary appropriations lapse at the end of each fiscal year.
4. The budget is established and controlled by the Board of Commissioners at the object level of expenditure. All changes in the budget must be approved by the board.
5. The budget is adopted on a cash basis for all funds. There were no amendments to the 2025 budget.

(Continued)

East Central Bossier Parish Fire District No. 1
Haughton, Louisiana
Notes to Financial Statements
December 31, 2025
(Continued)

F. Cash, Cash Equivalents, and Investments

Cash includes amounts in petty cash, interest-bearing demand deposits, and money market accounts. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the district may deposit funds in demand deposits, interest-bearing demand deposits, or money market accounts with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

Investments are limited by Louisiana Revised Statute (R.S.) 33:2955. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents. Investments are carried at cost, which approximates market.

G. Capital Assets

Capital assets purchased or acquired with an original cost of \$5,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at acquisition value as of the date received. 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. The Federal Government has a reversionary interest in property purchased with federal funds. Its disposition as well as the ownership of any proceeds therefrom is subject to federal regulations.

Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Buildings	12 – 40 years
Vehicles	2 – 22 years
Equipment	4 – 18 years

H. Compensated Absences

Full-time employees of the district earn from nine to fifteen shifts of paid vacation leave each calendar year, depending upon length of employment. Vacation leave does not accumulate.

Firemen are entitled to full pay during sickness for a period of not less than fifty-two weeks per year.

I. Use of Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and reported revenues and expenses. Actual results could differ from those estimates.

(Continued)

East Central Bossier Parish Fire District No. 1
Haughton, Louisiana
Notes to Financial Statements
December 31, 2025
(Continued)

J. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in the government-wide financial statements.

K. Deferred Outflows/Inflows of Resources

The District's governmental activities and governmental funds report a separate section for deferred inflows of resources. This separate financial statement element *deferred inflows of resources* represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The item, unavailable revenue, is reported in the governmental funds balance sheet and statement of net position. The District reports unavailable revenue from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available or the period for which they are levied and budgeted. On the government-wide statement of net position, the District also reports deferred inflows of resources from pension-related amounts.

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District has deferred outflows of resources related to pensions reported in the government-wide statement of net position.

L. Net Position

Government-wide net position is divided into three components: Net investment in capital assets consists of the historical cost of capital assets less accumulated depreciation and less any debt that remains outstanding that was used to finance those assets plus deferred outflows of resources less deferred inflows of resources related to those assets. Restricted net position consists of assets that are restricted by the district's creditors (for example, through debt covenants), by the state enabling legislation (through restrictions on shared revenues), by grantors (both federal and state), and by other contributors (less related liabilities and deferred inflows of resources). All other net position is reported as unrestricted net position. When an expense is incurred that can be paid using either restricted or unrestricted resources (net position), the district's policy is to first apply the expense toward restricted resources and then toward unrestricted resources.

M. Pension Plan

The District is a participating employer in a cost-sharing, multiple-employer, defined benefit pension plans as described in Note 8. 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 each of the plans, and additions to/deductions for the plans fiduciary net position, have been determined on the same basis as they are reported by the plan.

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East Central Bossier Parish Fire District No. 1
Haughton, Louisiana
Notes to Financial Statements
December 31, 2025
(Continued)

N. Fund Balance

In the governmental fund financial statements, fund balances are classified as follows:

1. Nonspendable - amounts that cannot be spent either because they are not in spendable form or because they are legally or contractually required to be maintained intact.
2. Restricted – amounts that can be spent only for specific purposes due to constraints placed on the use of resources that are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.
3. Committed - amounts that can be used only for the specific purposes as a result of constraints imposed by the board of commissioners (the district's highest level of decision making authority). Committed amounts cannot be used for any other purpose unless the board of commissioners remove those constraints by taking the same type of action (i.e. legislation, resolution, ordinance).
4. Assigned - amounts that are constrained by the district's intent to be used for specific purposes, but are neither restricted nor committed.
5. Unassigned - all amounts not included in other spendable classifications.

The district's policy is to apply expenditures against restricted fund balance and then to other, less-restrictive classifications – committed and then assigned fund balances before using unassigned fund balances.

The calculation of fund balance amounts begins with the determination of nonspendable fund balances. Then restricted fund balances for specific purposes are determined (not including non-spendable amounts). Then any remaining fund balance amounts for the non-general funds are classified as restricted fund balance. It is possible for the non-general funds to have negative unassigned fund balance when non-spendable amounts plus the restricted fund balances for specific purpose amounts exceeds the positive fund balance for the non-general fund.

O. Fair Value Measurements

Generally accepted accounting principles require disclosure to be made about fair value measurements, the level of fair value hierarchy, and valuation techniques. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels:

Level 1 inputs – The valuation is based on quoted market prices for identical assets or liabilities traded in active markets;

(Continued)

East Central Bossier Parish Fire District No. 1
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Notes to Financial Statements
December 31, 2025
(Continued)

Level 2 inputs – The valuation is based on quoted market prices for similar instruments traded in active markets, quoted prices for identical or similar instruments in markets that are not active, and inputs other than quoted prices that are observable for the asset or liability;

Level 3 inputs – The valuation is determined by using the best information available under the circumstances and might include the government's own data but should adjust those data if (a) reasonably available information indicates that other market participants would use different data or (b) there is something particular to the government that is not available to other market participants.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on lowest level of any input that is significant to the fair value measurement.

(2) Levied Taxes

The following is a summary of authorized and levied ad valorem taxes:

	<u>Authorized Millage</u>	<u>Levied Millage</u>	<u>Expiration Date</u>
Operating	19.00	19.00	2028

Approximately 22% of the District's ad valorem taxes are derived from ten taxpayers.

(3) Cash, Cash Equivalents, and Investments

At December 31, 2025, the District has cash, cash equivalents, and investments (book balances) totaling \$2,238,179, as detailed below:

A. Cash and Cash Equivalents

Cash and cash equivalents at December 31, 2025 (book balances) totaled \$2,124,520, in interest bearing demand deposits and a brokerage account. Included in this amount is \$406,631 in a brokerage account which consisted of money market funds which were backed by U.S. government securities or repurchase agreements backed by U.S. government securities. Also included in cash and cash equivalents is \$185,296, which is restricted for Camp Minden activities. These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent.

(Continued)

East Central Bossier Parish Fire District No. 1
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Notes to Financial Statements
December 31, 2025
(Continued)

B. Investments

Investments at December 31, 2025, consist of certificates of deposits with initial maturities greater than 90 days. The certificates of deposit are carried at cost, which approximates market. The investments are presented in the financial statements at fair value using level 2 fair value measure.

C. Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. As of December 31, 2025, \$1,236,936 of the District's bank balances of \$1,850,595, was exposed to custodial credit risk as uninsured deposits protected and collateralized with pledged securities held by the pledging bank's trust department not in the District's name. Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, R.S. 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified that the fiscal agent has failed to pay deposited funds upon demand.

(4) Long-term Liabilities

Long-term liability activity for the year ended December 31, 2025, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Volunteer incentive program	\$ 108,649	\$ 12,904	\$ (7,894)	\$ 113,659	\$ 113,659
Net pension liability	<u>1,502,360</u>	<u> </u>	<u>(353,636)</u>	<u>1,148,724</u>	<u> </u>
Total long-term liabilities, governmental activities	<u>\$1,611,009</u>	<u>\$ 12,904</u>	<u>\$ (361,530)</u>	<u>\$ 1,262,383</u>	<u>\$ 113,659</u>

(5) Accounts Payable and Accrued Expenses

Accounts payable and accrued expenses at December 31, 2025, consisted of the following:

Salaries and benefits	\$ 75,069
Accounts	<u>68,289</u>
	<u>\$ 143,358</u>

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East Central Bossier Parish Fire District No. 1
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Notes to Financial Statements
December 31, 2025
(Continued)

(6) Capital Assets

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

	Balance at Jan. 1, 2025	Additions	Deletions	Balance at Dec. 31, 2025
<u>Governmental Activities:</u>				
Capital assets, not being depreciated:				
Land	\$ 992,019	\$	\$	\$ 992,019
Total capital assets, not being depreciated	<u>992,019</u>	<u></u>	<u></u>	<u>992,019</u>
Capital assets, being depreciated:				
Buildings	1,078,437			1,078,437
Equipment	469,793	10,745		480,538
Vehicles	2,646,310	123,856	(5,000)	2,765,166
Building improvements	151,975	<u></u>	<u></u>	151,975
Total capital assets, being depreciated at historical cost	<u>4,346,515</u>	<u>134,601</u>	<u>(5,000)</u>	<u>4,476,116</u>
Less accumulated depreciation:				
Buildings	(490,292)	(31,445)		(521,737)
Equipment	(449,178)	(15,854)		(465,032)
Vehicles	(2,077,161)	(86,999)	5,000	(2,159,160)
Building improvements	(70,244)	(7,604)	<u></u>	(77,848)
Total accumulated depreciation	<u>(3,086,875)</u>	<u>(141,902)</u>	<u>5,000</u>	<u>(3,223,777)</u>
Total capital assets, being depreciated, net	<u>1,259,640</u>	<u>(7,301)</u>	<u></u>	<u>1,252,339</u>
Governmental activities capital assets, net	<u>\$ 2,251,659</u>	<u>\$ (7,301)</u>	<u>\$</u>	<u>\$ 2,244,358</u>

Depreciation expense for the year ended December 31, 2025, was \$141,902.

(7) On-behalf Payments

The District received a total of a total of \$91,520 in firemen supplemental pay from the State of Louisiana. The District recognizes this supplemental pay received by the employees as revenues and expenditures of the District. The revenue is reported in the General Fund under intergovernmental revenues and the expenditure is reported as public safety expenditures.

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East Central Bossier Parish Fire District No. 1
Haughton, Louisiana
Notes to Financial Statements
December 31, 2025
(Continued)

(8) Pension Plan

The District participates in the State of Louisiana Firefighters' Retirement System (System), a cost-sharing multiple-employer defined benefit pension plan established by Act 434 of 1979 to provide retirement, disability and survivor benefits to firefighters in Louisiana.

PLAN DESCRIPTION

Benefit provisions are authorized within Act 434 of 1979 and amended by LRS 11:2251-11:2272. The following is a brief description of the plan and its benefits and is provided for general information purposes only. Participants should refer to the appropriate statutes for more complete information.

Eligibility Requirements

Any person who becomes an employee as defined in RS 11:2252 on and after January 1, 1980 shall become a member as a condition of employment. Members in the System consist 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 fifty or over shall become a member of the System, unless the person becomes a member by reason of a merger or unless the System received an application for membership before the applicant attained the age of fifty. No person who has not attained the age of eighteen 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 rendering 12 years of service, they forfeit the right to receive the portion of their accumulated plan benefits attributable to their employer's contributions.

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East Central Bossier Parish Fire District No. 1
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Notes to Financial Statements
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(Continued)

Benefits are payable over the retirees' lives in the form of a monthly annuity. A member may elect an unreduced benefit or any of seven options at retirement.

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

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) and (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 the deferred retirement option plan, employer and employee contributions to the System cease. The monthly retirement benefit that would have been payable is paid into the deferred retirement option plan 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 deferred retirement option plan account balance. These withdrawals are in addition to his 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 deferred retirement option plan 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 the DROP account.

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East Central Bossier Parish Fire District No. 1
Haughton, Louisiana
Notes to Financial Statements
December 31, 2025
(Continued)

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 may also grant an increase based on a formula equal to up to \$1 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 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

Contribution requirements for employers, non-employer contributing entities, and employees are established and may be amended in accordance with Title 11 and Title 22 of the Louisiana Revised Statutes.

Employer and Employee Contributions

According to State statute, employer contributions are actuarially determined each year. For the year ended June 30, 2025, employer and employee contribution rates for members above the poverty line were 33.25% and 10.0%, respectively. The employer and employee contribution rates for those members below the poverty line were 35.25% and 8.0%, respectively. The District's contributions to the System for the years ended December 31, 2025, 2024, and 2023 were \$284,617, \$268,648, and \$247,650, respectively. Included in contributions for the year ended December 31, 2025, are contributions for the month of December 2025 totaling \$25,650 which were paid subsequent to December 31, 2025.

Non-employer contributions

According to state statute, the System receives insurance premium tax funds from the state of Louisiana. The tax is considered support from a non-employer contributing entity and appropriated by the legislature each year based on an actuarial study. Non-employer contributions are recognized as revenue during the year ended June 30, 2025 and were excluded from pension expense. Non-employer contributions received by the System and attributable to the District during the year ended December 31, 2025 were \$94,986.

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East Central Bossier Parish Fire District No. 1
Haughton, Louisiana
Notes to Financial Statements
December 31, 2025
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PENSION LIABILITIES, PENSION EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS

At December 31, 2025, the District reported a liability of \$1,148,724 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 the historical employer contributions. The employer's proportion was determined on a basis that is consistent with the manner in which contributions to the pension plan are determined. The allocation percentages were used in calculating each employer's proportionate share of the pension amounts.

The allocation method used in determining each employer's proportion was based on the combined contributions to the System during the year ended June 30, 2025 as compared to the total of all combined contributions to the System during the fiscal year ended June 30, 2025. At June 30, 2025, the District's proportion was .272721%, which was an increase of .00590% from its proportion measured as of June 30, 2024.

For the year ended December 31, 2025, the District recognized pension expense of \$236,560, plus employer's amortization of change in proportionate share and the difference between employer contributions and proportionate share of contributions, \$3,355.

At December 31, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 147,104	\$ 20,725
Changes of assumptions	52,373	
Net difference between projected and actual earnings on pension plan investments		214,662
Changes in proportion and differences between employer contributions and proportionate share of contributions	138,521	64,729
Employer contributions subsequent to the measurement date	143,179	
Total	<u>\$ 481,177</u>	<u>\$ 300,116</u>

(Continued)

East Central Bossier Parish Fire District No. 1
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Notes to Financial Statements
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(Continued)

The District reported a total of \$143,179 as deferred outflow of resources related to pension contributions made subsequent to the measurement period of June 30, 2025, which will be recognized as a reduction in net pension liability in the year ended December 31, 2026.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expenses as follows:

<u>Year</u>	<u>Amount</u>
2026	\$ 158,916
2027	(86,243)
2028	(73,298)
2029	(6,157)
2030	27,391
2031	17,273
Total	<u>\$ 37,882</u>

ACTUARIAL METHODS AND ASSUMPTIONS

The net pension liability was measured as the portion of the present value of projected benefit payments to be provided through the pension plan to current active and inactive employees that is attributed to those employees' past periods of service, less the amount of the pension plan's fiduciary net position.

For each year, the actuary determines the reasonable range of the actuarial valuation interest rate, an expected long-term portfolio rate of return and standard deviation based upon the System's target asset allocation and a long-term time horizon. These rates were based on an analysis of the System's portfolio along with expected long term rates of return, standard deviations of return, and correlations between asset classes collected from a number of investment consulting firms in addition to the System's investment consultant, NEPC. Using these values and assuming that future portfolio returns are normally distributed, ten thousand trials of returns over the upcoming thirty years was performed. The results of these trials were organized into percentiles and a reasonable range equal to the 40th through 60th percentiles was set. For the fiscal year ended June 30, 2025, the reasonable range was set at 6.64% through 7.76% and the Board of Trustees elected to set the System's assumed rate of return at 6.90% for Fiscal 2025. The actuarial valuation interest rates selected by the board, which were within the reasonable range, were 6.90% for fiscal year 2025.

The remaining actuarial assumptions utilized for this report for fiscal years 2025 are based on the results of an actuarial experience study for the period July 1, 2019 – June 30, 2024, unless otherwise specified in this report. Additional details are given in the actuary's complete 2025 Experience Study Report. Additional information on the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2025, is as follows:

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December 31, 2025
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Valuation Date	June 30, 2025
Actuarial Cost Method	Entry Age Normal Cost
Estimated Remaining Service Life	7 years, closed period
Investment Rate of Return	6.90% per annum (net of investment expenses, including inflation)
Inflation Rate	2.50% per annum
Salary increases	14.50% in the first two years of service and 5.00% with 3 or more years of service; includes inflation and merit increases
Cost of Living Adjustments	For the purpose of determining the present value of benefits, COLAs were deemed not to be substantively automatic and only those previously granted were included.

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, variances, and correlation coefficients for each asset class. The change integrates data from multiple sources to produce average values thereby reducing reliance on a single data source.

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 the G.S. Curran & Company Consultant Average study. The Consultant 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.

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(Continued)

The target asset allocation changed slightly from June 30, 2024 to June 30, 2025. 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.

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

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Long-Term Expected Real Rates of Return</u>
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%
Equity		
US Equity	27.00%	6.23%
Non-US Equity	11.00%	6.36%
Global Equity	10.00%	6.50%
Emerging Market Equity	4.00%	8.26%
Alternatives		
Real Estate	4.00%	4.85%
Real Assets	3.00%	5.93%
Private Equity	9.00%	9.77%
Totals	<u>100%</u>	

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.

(Continued)

East Central Bossier Parish Fire District No. 1
Haughton, Louisiana
Notes to Financial Statements
December 31, 2025
(Continued)

SENSITIVITY TO CHANGES IN 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.

	Changes in Discount Rate		
	1% Decrease 5.90%	Current Discount Rate 6.90%	1% Increase 7.90%
Net Pension Liability	\$ 2,216,482	\$1,148,724	\$ 258,643

CHANGE IN NET PENSION LIABILITY

The changes in the net pension liability for the year ended December 31, 2025, were recognized in the current reporting period as pension expense except as follows:

Differences between Expected and Actual Experience:

The differences between expected and actual experience with regard to economic or demographic factors in the measurement of the total pension liability were recognized as pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan.

Differences between Projected and Actual Investment Earnings:

The differences between projected and actual investment earnings on pension plan investments were recognized in pension expense using the straight-line amortization method over a closed five-year period.

Changes of Assumptions:

The changes of assumptions about future economic or demographic factors were recognized in pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan.

Change in Proportion:

Changes in the employer's proportionate shares of the collective net pension liability and collective deferred outflows of resources and deferred inflows of resources since the prior measurement date were recognized in employer's pension expense (benefit) using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided pensions through the pension plan.

(Continued)

East Central Bossier Parish Fire District No. 1
Haughton, Louisiana
Notes to Financial Statements
December 31, 2025
(Continued)

CONTRIBUTIONS - PROPORTIONATE SHARE

Differences between contributions remitted to the System and the employer's proportionate share are recognized in pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with a pension through the pension plan. The resulting deferred inflow/outflow and amortization is not reflected in the schedule of employer amounts due to differences that could arise between contributions reported by the System and contributions reported by the participating employer.

PLAN FIDUCIARY NET POSITION

Plan fiduciary net position is a significant component of the System's collective net pension liability. The System's plan fiduciary net position was determined using the accrual basis of accounting. The System's assets, liabilities, revenues and expenses were recorded with the use of estimates and assumptions in conformity with accounting principles generally accepted in the United States of America. Such estimates primarily related to unsettled transactions and events as of the date of the financial statements and estimates over the determination of the fair market value of the System's investments. Accordingly, actual results may differ from estimated amounts. The Plan's fiduciary net position has been determined on the same basis as that used by the plan. Detailed information about the fiduciary net position is available in a stand-alone audit report on their financial statements for the year ended June 30, 2025. Access to these reports can be found on the Louisiana Legislative Auditor's website, www.la.la.gov.

RETIREMENT SYSTEM AUDIT REPORT

Firefighters' Retirement System issued a stand-alone audit report on its financial statements for the year ended June 30, 2025. Access to the audit report can be found on the System's website: www.lafirefightersret.com or on the Office of Louisiana Legislative Auditor's official website: www.la.la.gov.

(9) Accounts Receivable

Accounts receivable at December 31, 2025, consisted of the following:

Ad Valorem taxes	\$ 2,222,158
State of Louisiana-Camp Minden	<u>25,000</u>
Total	<u>\$ 2,247,158</u>

(Continued)

East Central Bossier Parish Fire District No. 1
Haughton, Louisiana
Notes to Financial Statements
December 31, 2025
(Continued)

(10) Tax Abatement

As of December 31, 2025, the District is subject to tax abatement agreements which were entered into by the State of Louisiana through the Industrial Tax Exemption Program (ITEP). The agreements allows localities to abate property taxes for a variety of economic development purposes, including job creation, as well as business relocation, retention, and expansion. The District has not made any commitments as part of the agreements other than to reduce taxes.

Industrial Tax Exemption (ITEP):

The Louisiana Industrial Ad Valorem Tax Exemption Program (ITEP) is an original state incentive program which offers an attractive tax incentive for manufacturers within the state. The program abates, up to ten years, local property taxes (Ad Valorem) on a manufacturer's new investment and annual capitalized additions related to the manufacturing site with the approval of the Governor. The legal authority is Article 7, Section 21(F) of the Louisiana Constitution.

Gross Dollar Amount by Which the District's Tax Revenues Were Reduced: The District estimates property tax revenues have been reduced by \$36,213 for the year.

(11) Risk Management

The District purchases commercial insurance to provide workers compensation coverage and general liability and property insurance. There were no significant reductions in insurance coverage from the prior year.

(12) Subsequent Events

In January of 2026, the District approved the purchase of equipment for air packs. The equipment purchase totaled approximately \$50,000. The cost is expected to be covered by a grant from the State Aid program.

Subsequent events have been evaluated through June 22, 2026, the date the financial statements were available to be issued.

East Central Bossier Parish Fire District No. 1
Haughton, Louisiana
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget (Cash Basis) and Actual
General Fund
For the Year Ended December 31, 2025

	Budgeted Amounts Original & Final	Actual Amounts (Budgetary Basis)	Variance- Favorable (Unfavorable)
Revenues			
Ad valorem taxes	\$ 1,800,000	\$ 1,906,041	\$ 106,041
Intergovernmental-fire insurance rebate	125,000	134,117	9,117
Miscellaneous	200		(200)
Interest income	95,000	121,563	26,563
Total revenues	2,020,200	2,161,721	141,521
Expenditures			
Current:			
General government	68,325	63,237	5,088
Public Safety	2,670,258	2,135,399	534,859
Capital Outlay	130,000	134,601	(4,601)
Total expenditures	2,868,583	2,333,237	535,346
Net change in fund balance	(848,383)	(171,516)	676,867
Fund balances at beginning of year	848,383	2,239,774	1,391,391
Fund balances at end of year	\$	\$ 2,068,258	\$ 2,068,258

The accompanying notes are an integral part of this statement.

East Central Bossier Parish Fire District No. 1
Haughton, Louisiana
Notes to Required Supplementary Information
December 31, 2025

The District's budget is adopted on a cash basis for all funds. There were no amendments to the 2025 budget. Budget comparison statements included in the accompanying financial statements include the original and adopted budget. The schedule below reconciles excess (deficiency) of revenues and other sources over expenditures and other uses on the budget basis with GAAP basis:

	<u>General Fund</u>
Excess of revenues and other sources over expenditures and other uses (budget basis)	\$(171,516)
Adjustments:	
Revenue accruals – net	148,024
Expenditure accruals – net	<u>(32,782)</u>
Excess of revenues and other sources over expenditures and other uses (GAAP basis)	<u><u>\$(56,274)</u></u>

East Central Bossier Parish Fire District No. 1
Haughton, Louisiana
Schedule of Contributions
For the Year Ended December 31, 2025

State of Louisiana Firefighters' Retirement System

<u>Year Ended December 31</u>	<u>Statutorily Required Contribution</u>	<u>Contributions in relation to the statutorily required contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered-employee payroll</u>	<u>Contributions as a percentage of covered-employee payroll</u>
2025	\$ 284,617	\$ 284,617	\$	\$ 855,993	33.25%
2024	268,648	268,648		807,965	33.25%
2023	247,650	247,650		744,814	33.25%
2022	209,786	209,786		626,750	33.47%
2021	213,002	213,002		631,957	33.71%
2020	194,394	194,394		647,920	30.00%
2019	175,859	175,859		648,419	27.12%
2018	132,466	132,466		502,109	26.38%
2017	125,067	125,067		483,206	25.88%
2016	123,646	123,646		471,067	26.25%

*Amounts presented were determined as of the end of the fiscal year (December 31).

East Central Bossier Parish Fire District No. 1
Haughton, Louisiana
Schedule of Proportionate Share of Net Pension Liability
For the Year Ended December 31, 2025

State of Louisiana Firefighters' Retirement System

Year Ended June 30	Proportion of the net pension liability	Proportionate share of the net pension liability	Covered-employee payroll	Proportionate share of the net pension liability as a percentage of its covered-employee payroll	Plan fiduciary net position as a percentage of the total pension liability
2025	0.27272%	\$ 1,148,724	\$ 841,719	136.47%	86.96%
2024	0.26682%	1,502,360	766,746	195.94%	81.68%
2023	0.26753%	1,746,084	718,152	243.14%	77.69%
2022	0.23430%	1,652,139	589,934	280.05%	74.68%
2021	0.25882%	917,223	644,663	142.28%	86.78%
2020	0.26291%	1,822,367	645,772	282.20%	72.61%
2019	0.24542%	1,536,792	563,398	272.77%	73.96%
2018	0.20517%	1,180,177	488,488	241.60%	74.76%
2017	0.20323%	1,164,889	474,517	245.49%	73.55%
2016	0.19541%	1,278,125	438,407	291.54%	68.16%

*Amounts presented were determined as of the measurement date (June 30).

East Central Bossier Parish Fire District No. 1
Haughton, Louisiana
Schedule of Compensation, Benefits, and Other Payments to Agency Head
For the Year Ended December 31, 2025

Agency Head: Robert Roe, Fire Chief

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 91,420
State supplemental pay	7,200
Benefits-insurance	11,922
Benefits-retirement	32,791
Clothing allowance	400
Conference travel	1,278
Continuing professional education fees	456
Conference registration	625

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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

Independent Auditors' Report

Board of Commissioners
East Central Bossier Parish Fire District No. 1

We have audited, 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 (*Government Auditing Standards*), the financial statements of the governmental activities and major fund of the East Central Bossier Parish Fire District No. 1 as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the East Central Bossier Parish Fire District No. 1's basic financial statements, and have issued our report thereon dated June 22, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the East Central Bossier Parish Fire District No. 1'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 East Central Bossier Parish Fire District No. 1's internal control. Accordingly, we do not express an opinion on the effectiveness of the East Central Bossier Parish Fire District No. 1'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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether East Central Bossier Parish Fire District No. 1's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Cook & Morehart,
Certified Public Accountants, LLC
June 22, 2026

East Central Bossier Parish Fire District No. 1
Haughton, Louisiana
Summary Schedule of Audit Findings
December 31, 2025

Summary Schedule of Prior Audit Findings

There was one finding for the prior year audit for the year ended December 31, 2024.

Reference No: 2024-001 Finding - Budget

Finding: Actual expenditures for the General Fund were more than budgeted expenditures by more than 5%.

Recommendation: The District will monitor its budgets in the future and amend as needed in order to comply with the Local Government Budget Act.

Current status : No finding in current year.

Corrective Action Plan for Current Year Audit Findings

There were no findings for the current year audit for the year ended December 31, 2025.