FIRE PROTECTION DISTRICT NO. 3

OF THE PARISH OF ST. MARY
STATE OF LOUISIANA

Annual Component Unit Financial Statements with Independent Auditor's Report

and

Report on Internal Control Over Financial Reporting and Compliance and Other Matters

For the Year Ended September 30, 2025

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PITTS & MATTE

a corporation of
certified public accountants

INDEPENDENT AUDITOR'S REPORT

The Board of Commissioners
Fire Protection District No. 3 of the Parish
of St. Mary, State of Louisiana
Amelia, Louisiana

Opinion

We have audited the accompanying financial statements of the governmental activities and the major fund of Fire Protection District No. 3 (District) of the Parish of St. Mary, a component unit of the St. Mary Parish Council, as of and for the year ended September 30, 2025, and the related notes to the financial statements which collectively comprise the Fire Protection District No. 3 of the Parish of St. Mary'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 major fund of the District, as of September 30, 2025, and the respective changes in financial position 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 relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibility of Management for the Financial Statements

Management is responsible for 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.

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In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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:

a. Exercise professional judgement and maintain professional skepticism throughout the audit.
b. 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.
c. 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.
d. 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.
e. 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 budgetary comparison information and schedules for employer's share of net pension liability and employer pension contributions on page 32 through page 35 be presented to supplement the basic financial statements such information, although not a required 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 and 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.

Management has omitted Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Reporting Requirements by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated May 29, 2026 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 the District's internal control over financial reporting or on compliance. That report is an integral part of our audit performed in accordance with Government Auditing Standards in considering District's internal control over financial reporting and compliance.

Pitre & Matte

CERTIFIED PUBLIC ACCOUNTANTS

May 29, 2026
Morgan City, Louisiana

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

FIRE PROTECTION DISTRICT NO. 3 OF THE PARISH OF ST. MARY
STATE OF LOUISIANA

Statement of Net Position
September 30, 2025

	Governmental Activities
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	
Cash	$ 218,588
Prepaid expenses	55,643
Deposits	1,489
Capital Assets	
Land	477,508
Other, net of accumulated depreciation	800,161
Total assets	1,553,389
Deferred outflows of resources	
Deferred outflows related to net pension liability	39,751
Total assets and deferred outflows of resources	$ 1,593,140
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	
Liabilities	
Accounts and other payables	$ 75,920
Long term liabilities:	
Net pension liability	157,608
Total Liabilities	233,528
Deferred inflows of resources	
Deferred inflows related to net pension liability	156,282
NET POSITION	
Net investment in capital assets	1,277,669
Unrestricted (deficit)	(74,339)
Total net position	1,203,330
Total liabilities, deferred inflows of resources, and net position	$ 1,593,140

The accompanying notes are an integral part of these financial statements

FIRE PROTECTION DISTRICT NO. 3 OF THE PARISH OF ST. MARY
STATE OF LOUISIANA

Statement of Activities
For the Period Ended September 30, 2025

Functions/Programs	Expenses	Program Revenues Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Position
Governmental activities:			
Public safety - fire protection	$ 562,863	$ 14,400	$ (548,463)
Total governmental activities	$ 562,863	$ 14,400	$ (548,463)
General revenues			
Ad valorem taxes			$ 460,788
Allocation from St. Mary Parish			100,000
Interest and investment earnings			5,526
Other Income			13,032
Total general revenues			579,346
Change in net position			30,883
Net position - beginning of the year			1,172,447
Net position - end of the year			$ 1,203,330

The accompanying notes are an integral part of these financial statements

FUND FINANCIAL STATEMENTS

FIRE PROTECTION DISTRICT NO. 3 OF THE PARISH OF ST. MARY
STATE OF LOUISIANA

Balance Sheet
Governmental Funds
September 30, 2025

	General Fund
ASSETS	
Current assets:	
Cash	$ 218,588
Prepaid expenditures	55,643
Total current assets	274,231
Other assets:	
Deposits	1,489
Total assets	$ 275,720
LIABILITIES AND FUND BALANCE	
Liabilities:	
Accounts payable	$ 4,555
Retirement payable	1,054
Payroll taxes payable	3,825
Compensated absences	66,486
Total liabilities	75,920
Fund balance:	
Nonspendable	55,643
Unassigned	144,157
Total fund balance	199,800
Total liabilities and fund balance	$ 275,720

The accompanying notes are an integral part of these financial statements

Reconciliation of the Governmental Fund Balance Sheet to the Statement of Net Position

Total fund balance for governmental funds at September 30, 2025		$ 199,800
Cost of capital assets:		
Land	$ 477,508	
Capital assets, net of accumulated depreciation	800,161	1,277,669
Deferred outflows of resources related to net pension liability		39,751
Net pension liability		(157,608)
Deferred inflows of resources related to net pension liability		(156,282)
Net position at September 30, 2025		$ 1,203,330

The accompanying notes are an integral part of these financial statements

FIRE PROTECTION DISTRICT NO. 3 OF THE PARISH OF ST. MARY
STATE OF LOUISIANA

Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Period Ended September 30, 2025

	General Fund
Revenues	
Ad valorem taxes	$ 460,788
Allocation from St. Mary Parish	100,000
Intergovernmental revenue	14,400
Interest income	5,526
Total revenues	580,714
Expenditures	
Current:	
Auto and truck expense	12,961
Commissioner per diem	1,500
Insurance	99,442
Miscellaneous	7,450
Pension - ad valorem	14,989
Professional fees	19,125
Repairs and maintenance	93,092
Salaries and benefits	197,651
Supplies	57,709
Utilities	15,379
Total expenditures	519,298
Net change in fund balance	61,416
Fund balances, beginning as previously reported	138,384
Fund balances, ending	$ 199,800

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

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of the Governmental Fund to the Statement of Activities

Total net changes in fund balance for the year ended September 30, 2025 per Statement of Revenues, Expenditures and Changes in Fund Balances	$	61,416
Depreciation expense		(105,683)
Effects of recording net pension liability and deferring inflows and outflows of resources related to net pension liability:		
Decrease in pension expense		62,118
Nonemployer pension contribution revenue		13,032
Total changes in net position for the year ended September 30, 2025 per Statement of Activities	$	30,883

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

FIRE PROTECTION DISTRICT NO. 3 OF THE PARISH OF ST. MARY
State of Louisiana

Notes to the Financial Statements
September 30, 2025

Fire Protection District No. 3 of the Parish of St. Mary (the "District") was created by Ordinance No. 1044 of the St. Mary Parish Council on July 27, 1988 for the purpose of providing fire protection, medical assistance, and extrication rescue. The District encompasses Ward Nine of the Parish of St. Mary.

The accompanying financial statements of the District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 24:513, and to the guides set forth in the *Louisiana Governmental Audit Guide*, and to the audit and accounting guide, *Audits of State and Local Governmental Units*.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of certain significant accounting policies.

A. Reporting Entity

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

Governmental Accounting Standards Board Statement (GASB) No. 14, *The Financial Reporting Entity*, as amended, established criteria for determining which component units should be considered part of the St. Mary Parish Government for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

a. Appointing a voting majority of an organization's governing body, and the ability of the Parish Council to impose its will on that organization and/or the potential for the organization to provide specific financial benefits to or impose specific financial burdens on the Parish Council.

b. Organizations for which the Parish Council does not appoint a voting majority but are fiscally dependent on the Parish Council.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

c. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Because the Parish Council appoints the governing body and has the ability to significantly impose its will, the District is a component unit of the St. Mary Parish Government, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the District and do not present information on the Parish Government, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

B. Basis of Presentation

The accompanying basic financial statements of the District have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement 34, *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments.*

Government-Wide Financial Statements

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

The statement of activities presents a comparison between direct expenses and program revenues for the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients of services offered by the District, and (b) grants and contributions that are restricted to meeting the operational or capital requirement of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fund Financial Statements

The District uses fund accounting to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain District functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts. The emphasis on fund financial statements is on major funds, each displayed in a separate column. A fund is considered major if it is the primary operating fund of the District or its total assets, liabilities, revenues, or expenditures of the individual governmental fund is at least 10 percent of the corresponding total for all governmental funds. The District's General Fund is its only fund and is considered to be the major fund as described below:

Governmental Fund -

General Fund- this fund is the primary operating fund of the District and it accounts for the operations of the District's office. The General Fund is available for any purpose provided it is expended or transferred in accordance with state and federal laws and according to District policy. The general fund is always classified as a major fund.

C. Capital Assets

Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The District maintains a threshold level of $500 or more for capitalizing capital assets.

Capital assets are recorded in the statement of net position. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes, no salvage value is taken into consideration for depreciation purposes. All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

Leasehold improvements	20-40 years
Equipment	5-12 years
Furniture	5-7 years

D. Measurement Focus/Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. 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 (i.e., revenues and other financing sources) and

decreases (i.e., expenditures and other financing uses) in net current position.

The modified accrual basis of accounting is used by all governmental fund types. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Revenues are considered to be available if they are collected within 60 days of the end of the current fiscal period. The District uses the following practices in recording certain revenues and expenditures:

Revenues

Intergovernmental revenues are recorded when approved for payment by the payer or governing body.

Substantially all other revenues are recorded when received.

Expenditures

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 long-term debt is recognized when due.

E. Cash

Cash includes amounts in demand deposits and interest-bearing demand deposits.

Under state law, the District may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

F. Investments

Under state law, the District may deposit funds with a fiscal agent organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The District may invest in United States bonds, treasury notes and bills, government backed agency securities, or certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. In addition, local governments in Louisiana are authorized to invest in the Louisiana Asset Management Pool (LAMP), a nonprofit corporation formed by the State Treasurer and organized under the laws of the State of Louisiana, which operates a local government investment pool.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

G. Prepaid Items

Payments made to vendors that will benefit periods beyond the current period are recorded as prepaid items.

H. Deferred Outflows of Resources and Deferred Inflows of Resources

The District reports decreases (increases) in net position that relate to future periods as deferred outflows (inflows) of resources in separate sections of its government-wide statement of net position. The District reports deferred outflows of resources and deferred inflows of resources related to its net pension liability.

I. Equity Classifications

In the 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.

b. Restricted - consists of net position with constraints placed on the use either by (I) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

c. Unrestricted - all other net position that does not meet the definition of "restricted" or "net investment in capital assets."

Fund balance for the District's governmental fund is displayed in the following classifications depicting the relative strength of the spending constraints placed on the purposes for which resources can be used:

a. Nonspendable - amounts that cannot be spent either because they are in nonspendable form (such as prepaid amounts) or because they are legally or contractually required to be maintained intact.

b. Restricted - amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

c. Committed - amounts that can be used only for specific purposes determined by a formal action of the Board of Commissioners. The Board is the highest level of decision-making authority for the District. Commitments may be established, modified, or rescinded only through formal actions of the Board of Commissioners.

d. Assigned - amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Under the District's adopted policy, only the Board of Commissioners may assign amounts for specific purposes.

e. Unassigned - amounts that are available for any purpose.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board of Commissioners has provided otherwise in its commitment of assignment actions.

J. Pensions

For purposes of measuring the net pension liability, deferred outflows or resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Firefighters' Retirement System (the Plan), and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. 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.

K. Budgets

Annual appropriated budgets are adopted for the General Fund. All annual appropriations lapse at fiscal year end. Budgets are amended when needed upon approval by the Board. In the financial statement budgetary comparison of the budget to actual amounts, both the original and actual budget amounts are shown.

NOTE 2 – CASH

Under state law, the District may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The District may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At September 30, 2025, the District has cash and interest-bearing deposits (book balances) totaling $218,588 as follows:

Demand deposits	$	79,393
Time deposits		139,195
Total		$ 218,588

Under state law, deposits, (or the resulting bank balances) must be secured by federal deposit insurance or similar federal security 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 bank. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

Custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution, the District's deposits may not be recovered, or the District will not be able to recover collateral securities that are in the possession of an outside party. The District has not formally adopted policies that limit allowable deposits or investments and address the specific type of risk to which the District is exposed, or a policy to monitor or attempt to reduce exposure to custodial credit risk. As of September 30, 2025, all of the District's deposits are fully covered by federal deposit insurance and not subject to custodial credit risk.

NOTE 3 – AD VALOREM TAXES

Ad valorem taxes attach as an enforceable lien on property within the District's taxing area as of January 1 of each year. Taxes are levied by the District in September or October and are billed to taxpayers in November or December. Billed taxes become delinquent on January 1 of the following year. The St. Mary Parish Sheriff bills and collects the District's property taxes using the assessed values determined by the tax assessor of St. Mary Parish. District property tax revenues are budgeted in the year billed. For the year ended September 30, 2025, the District levied a property tax of 9.93 mills for maintenance and operations on property with assessed valuations totaling $42,454,256. The total taxes collected were $460,788.

NOTE 4 – CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2025 was as follows:

	Balance 10/1/2024	Additions	Deletions	Balance 9/30/2025
Governmental activities:				
Capital assets, not being depreciated				
Land	$ 477,508	$ -	$ -	$ 477,508
Capital assets, being depreciated				
Buildings	884,150			884,150
Equipment	1,760,280			1,760,280
Improvements	79,422	-	-	79,422
Total capital assets, being depreciated	2,723,852	-	-	2,723,852
Less: accumulated depreciation				
Buildings	(404,102)	(26,161)		(430,263)
Equipment	(1,351,436)	(76,406)		(1,427,842)
Improvements	(62,470)	(3,116)	-	(65,586)
Total accumulated depreciation	(1,818,008)	(105,683)	-	(1,923,691)
Net capital assets, being depreciated	905,844	(105,683)	-	800,161
Net capital assets	$ 1,383,352	$ (105,683)	$ -	$ 1,277,669

Depreciation expense in the amount of $105,683.

Capital assets, not being depreciated, are recorded at historical costs of $477,508. Of the amount reported, $470,176 accounts for the acquisition of a 4.7972 acre tract of land purchased in a prior period. The property was purchased without appraisal, which may have been in violation of state statutes. During the year ended September 30, 2019, the District provided for a retrospective appraisal which valued the property at $131,900 as of the approximate date of acquisition, March 24, 2014, and a value of $179,900 as of the date of the appraisal, April 30, 2019. Since the appraised values are not due to a significant and unexpected decline in the service utility of the property, the property is not considered impaired and continues to be reported at historical cost.

NOTE 5 – RETIREMENT PLAN

Firefighters' Retirement System (System)

Plan Description: The Firefighters' Retirement System is 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.

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 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 merger or unless the System received an application for membership before the applicant attained the age of 50. No person who has not attained the age of 18 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 the 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 the System, or for any other purpose in order to attain eligibility or increase the amount of service credit in the 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.

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 members death) or any of six options at retirement.

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

NOTE 5 – RETIREMENT 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 (DROP): 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 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 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 the 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 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

NOTE 5 – RETIREMENT PLAN (continued)

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 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 10.00%, respectively. The employer and employee contribution rates for those members below the poverty line were 35.25% and 8.00%, respectively.

Non-Employer Contributions: According to state statute, the System receives insurance premium assessments from the state of Louisiana. The assessment is considered support from a non-employer contribution entity and appropriated by the legislature each year based on an actuarial study. Non-employer contributions were recognized as revenue during the year ended June 30, 2025 and were excluded from pension expense.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources: At September 30, 2025, The District reported liabilities in its government-wide financial statements of $157,608 in its governmental activities for its proportionate share of the net pension liabilities of the System. The net pension liabilities were measured as of June 30, 2025 and the total pension liability used to calculate the net pension obligation was determined by separate actuarial valuations performed on each of the retirement systems as of that date. Under each retirement system, the District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2025, the District's proportional share of the System was 0.037418%, which was a decrease of 0.004403% from its proportion measured as of June 30, 2024.

For the year ended September 30, 2025, the District recognized pension benefit of $(22,347) in its governmental activities related to its participation in the System.

NOTE 5 – RETIREMENT PLAN (continued)

At September 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 20,183	$ 29,452
Change of assumptions	1,955	-
investment earnings on pension plan investments	7,186	2,844
Change in proportion and differences between the employer contributions and proportionate share of contributions	-	123,986
District's contributions subsequent to the measurement date	10,427	-
	$ 39,751	$ 156,282

Deferred outflows of resources of $10,427 related to pension resulting from the District's contributions subsequent to the measurement date will be recognized as an adjustment to the net pension liability in the following fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ending	
2026	$ (17,388)
2027	(51,018)
2028	(34,218)
2029	(19,881)
2030	(2,948)
2031	(1,505)
	$ (126,958)

Actuarial 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.

NOTE 5 – RETIREMENT PLAN (continued)

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, L.L.C. 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 remaining actuarial assumptions utilized for this report for fiscal year 2025 are based on the results of an actuarial experience study completed August 9, 2025, 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 Reports for the period July 1, 2019 – June 30, 2024, which can be obtained from the Firefighters Retirement System website at www.lafrs.org under the Finance tab, Actuarial Reports section.

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2025 are as follows:

	Firefighters' Retirement System
Valuation Date	June 30, 2025
Actuarial Cost Method	Entry Age Normal
Actuarial Cost Assumptions:	
Expected Remaining Service Lives	7 years, closed period
Investment Rate of Return	6.90% per annum (net of investment expenses, including inflation)
Inflation Rate	2.50% per annum
Projected 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.

NOTE 5 – RETIREMENT PLAN (continued)

The investment rate of return was 6.90%, which was equal to the rate used as of June 30, 2024.

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

a. For active members, mortality was set equal to the Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Employees
b. For annuitants and beneficiaries, mortality was set equal to the Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Healthy Retirees
c. For disabled retirees, mortality was set equal to the Pub-2010 Public Retirement Plans Mortality Table for Safety Disabled Retirees.
d. In all cases, the base table was multiplied by 110% for males and 110% for females, each with full generational projection using the appropriate MP2019 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 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 and the Curran Actuarial Consulting 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. The target asset allocation changed slightly from June 30, 2024 to June 30, 2025. These changes include a decrease to target weight in U.S. public equity, an increase to U.S. Core fixed income, an increase to multisector fixed income and a decrease to emerging market equity. The System's long-term assumed rate of inflation of 2.50% was used in this process for fiscal year ended June 30, 2025.

NOTE 5 – RETIREMENT PLAN (continued)

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:

As of June 30, 2025:

Asset Class	Target Asset Allocation	Long-Term Expected Real Rate of Return
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%
Emerging Market Debt	2.00%	4.05%
U.S. TIPS	2.00%	2.00%
Global Multisector Fixed Income	5.00%	2.34%
Alternatives:		
Real Estate	4.00%	4.85%
Private Equity	9.00%	9.77%
Real Assets	3.00%	5.93%
	100.00%	

As of June 30, 2024:

Asset Class	Target Asset Allocation	Long-Term Expected Real Rate of Return
Equity:		
U.S. Equity	28.50%	6.24%
Non-U.S. Equity	11.00%	6.36%
Global Equity	10.00%	6.42%
Emerging Market Equity	4.50%	8.26%
Fixed Income:		
U.S. Core Fixed Income	22.00%	2.09%
Emerging Market Debt	2.00%	4.05%
U.S. TIPS	2.00%	2.00%
Global Multisector Fixed Income	4.00%	2.34%
Alternatives:		
Real Estate	4.00%	4.85%
Private Equity	9.00%	9.77%
Real Assets	3.00%	5.93%
	100.00%	

NOTE 5 – RETIREMENT PLAN (continued)

The discount rate used to measure the total pension liability was 6.90%, which was a equal to the rate used as of June 30, 2025. 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.

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 or percentage point higher than the current rate as of June 30, 2025.

	Changes in Discount Rate: Firefighters' Retirement System		
	1% Decrease 5.90%	Current Discount Rate 6.90%	1% Increase 7.90%
Net Pension Liability	$ 304,107	$ 157,608	$35,486

Support of Non-Employer Contributing Entities: Contributions received by a pension plan from non-employer contributing entities that are not in a special funding situation are recorded as revenue by the respective pension plan. The District recognizes revenue in an amount equal to its proportionate share of the total contributions to the pension plan from these non-employer contributing entities. During the year ended September 30, 2025, the District recognized revenue as a result of support received from the non-employer contributing entities of $13,032 for its participation in the System.

Payables to the Pension Plan: The District recorded accrued liabilities to the System for the year ended September 30, 2025, primarily due to the accrual of accounts payable at the end of the fiscal year. The amounts due are included in liabilities under the amounts reported as accounts and other payables. The balance due to the System as of September 30, 2025 is $1,054.

Pension Plan Fiduciary Net Positions: Detailed information about the pension plan's fiduciary net position is available in the separately issued financial report for the System available at https://lafrs.org/firefighter-financial/

NOTE 6 – RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District is named insured on commercial insurance policies, purchased through the market, by the Amelia Volunteer Fire Department, which covers its exposure to loss. The District is insured up to policy limits for each of the above risks. There were no significant changes in coverage, retentions, or limits during the year ended September 30, 2025. Settled claims have not exceeded the commercial coverage in any of the previous three fiscal years.

NOTE 7 – NET POSITION

Net position is classified as net investment in capital assets, restricted and/or unrestricted. The unrestricted deficit presented in the government-wide statement of net position is significantly affected by the recognition of net pension liability in accordance with GASB 68. At September 30, 2025, the District reported liabilities on its government-wide financial statements of $157,608 for its proportionate share of the net pension liabilities. The recordation of net pension liability on the District's government- wide financial statements resulted in a deficit of unrestricted net position of $(74,339).

NOTE 8 – ON-BEHALF PAYMENTS FOR SALARIES

GASB Statement No. 24, *Accounting and Financial Reporting for Certain Grants and Other Financial Assistance*, requires the District to report on-behalf payments made by the State of Louisiana (State) to the District's employees. The basis for recognizing the revenues and expenditure payments is that the actual contribution is made by the State and not by the District. During the year ended September 30, 2025, the State paid supplemental compensation in accordance with R.S. 40:1666.1 directly to the District's employees. On-behalf payments recorded as revenue and expenditures for the year ended September 30, 2025 totaled $14,400.

NOTE 9 – COMPENSATION PAID TO BOARD MEMBERS

A detail of compensation paid to the Board of Commissioners for the period ended September 30, 2025 follows:

	Per Diem Received
Joseph Foret, Chair	$ 330
Royal Young, Vice Chair	330
Clint Abshire	270
Denise Chaisson	360
Scott Singleton	270
	$ 1,560

NOTE 9 – COMPENSATION PAID TO BOARD MEMBERS (continued)

Act 706 of the 2014 Legislative Session amended RS 24:513A requires additional disclosure of total compensation, reimbursements, benefits, or other payments made to an agency head or chief officer. With the exception of per diem, no other payments which would require disclosure were made to the District's chief officer. During the year ended September 30, 2025, Joseph Foret received $330.

NOTE 10 – COMPENSATED ABSENCES

The District has adopted a policy for use of unpaid leave. Employees are not allowed to carryover unused leave unless such carryovers are approved by the Board of Commissioners. The District reserves the option to payout such leave currently. The following is a summary of changes in compensated absences for the year ending September 30, 2025.

	9/30/24	Net Change	9/30/25
Compensated Absences	$ 71,921	$ (5,435)	$ 66,486

NOTE 11 – RELATED PARTIES

The District is a related party of the St. Mary Parish Council, the primary government. During the year ended September 30, 2025, the District received allocations from the Parish totaling $100,000.

REQUIRED SUPPLEMENTARY INFORMATION

FIRE PROTECTION DISTRICT NO. 3 OF THE PARISH OF ST. MARY
STATE OF LOUISIANA

Budgetary Comparison Schedule (Non-GAAP Basis)
General Fund
For the Year Ended September 30, 2025

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues			
Ad valorem taxes	$ 387,000	$ 460,788	$ 73,788
Allocation from St. Mary Parish	100,000	100,000	-
Intergovernmental	-	14,400	14,400
Interest income	240	5,526	5,286
Total revenues	487,240	580,714	93,474
Expenditures			
Current:			
Amelia Volunteer Fire Department	155,000		155,000
Auto & Truck expense	48,295	12,961	35,334
Building fund	48,295		48,295
Commissioner per diem	1,800	1,500	300
Insurance	74,000	99,442	(25,442)
Miscellaneous		7,450	(7,450)
Pension - ad valorem		14,989	(14,989)
Professional fees	10,000	19,125	(9,125)
Repairs and maintenance	92,500	93,092	(592)
Salaries and benefits	248,000	197,651	50,349
Supplies		57,709	(57,709)
Utilities	-	15,379	(15,379)
Total expenditures	677,890	519,298	158,592
Net change in fund balance	(190,650)	61,416	252,066
Fund balance at beginning of year	98,283	138,384	1,302
Fund balance at end of year	$ (92,367)	$ 199,800	$ 253,368

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

FIRE PROTECTION DISTRICT NO. 3 OF THE PARISH OF ST. MARY
State of Louisiana

Schedule of Employer's Share of Net Pension Liability
For Year Ended September 30, 2025

Plan Year Ended June 30	Employer Proportionate Share of the Net Pension Liability (Asset) (a)	Employer Proportionate Share of the Net Pension Liability (Asset) (a)	Employer's Covered Payroll (b)	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll (a/b)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2016	0.072803%	$ 476,197	$ 164,154	290.09%	68.16%
2017	0.094377%	$ 540,955	$ 220,378	245.47%	73.55%
2018	0.098797%	$ 568,288	$ 235,357	241.46%	74.76%
2019	0.084168%	$ 527,052	$ 203,424	259.09%	73.96%
2020	0.086559%	$ 599,988	$ 215,498	278.42%	72.61%
2021	0.068298%	$ 242,038	$ 156,719	154.44%	86.78%
2022	0.058028%	$ 409,172	$ 125,870	325.08%	74.68%
2023	0.045855%	$ 299,287	$ 151,030	198.16%	77.69%
2024	0.041821%	$ 235,475	$ 153,667	153.24%	77.69%
2025	0.037418%	$ 157,608	$ 143,498	109.83%	86.96%

FIRE PROTECTION DISTRICT NO. 3 OF THE PARISH OF ST. MARY
State of Louisiana

Schedule of Employer Contributions
For Year Ended September 30, 2025

Fiscal Year Ended Sept 30	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a % of Covered Payroll
2016	$ 46,500	$ 46,500	$ -	$ 172,845	26.90%
2017	$ 58,649	$ 58,649	$ -	$ 229,384	25.57%
2018	$ 59,888	$ 59,888	$ -	$ 225,992	26.50%
2019	$ 55,560	$ 55,560	$ -	$ 207,174	26.82%
2020	$ 62,968	$ 62,968	$ -	$ 217,963	28.89%
2021	$ 54,603	$ 54,603	$ -	$ 156,719	34.84%
2022	$ 42,166	$ 42,166	$ -	$ 125,870	33.50%
2023	$ 37,519	$ 37,519	$ -	$ 151,030	24.84%
2024	$ 37,832	$ 37,832	$ -	$ 152,396	24.82%
2025	$ 37,104	$ 37,104	$ -	$ 142,049	26.12%

FIRE PROTECTION DISTRICT NO. 3 OF THE PARISH OF ST. MARY
State of Louisiana

Notes to the Required Supplementary Information
For Year Ended September 30, 2025

NOTE 1 – BASIS OF ACCOUNTING

The budget is adopted on a basis consistent with generally accepted accounting principles (GAAP).

NOTE 2 – BUDGETARY PRACTICES

The District prepares and adopts a budget in accordance with RS 39:1301 et seq. The annual budget for the General Fund is prepared in accordance with the basis of accounting utilized by the fund.

Neither encumbrance accounting nor formal integration of the budget into the accounting records is employed as a management control device. However, periodic comparisons of budget and actual amounts are performed.

NOTE 3 – FIREFIGHTERS' RETIREMENT SYSTEM

Changes of benefit terms - There were no changes of benefit terms.

Changes of assumptions

Plan Year Ended June 30	Discount Rate	Investment Rate of Return	Inflation Rate	Expected Remaining Service Lives	Projected Salary Increase
2016	7.500%	7.500%	2.875%	7	4.75% - 15.00%
2017	7.400%	7.400%	2.775%	7	4.75% - 15.00%
2018	7.300%	7.300%	2.700%	7	4.75% - 15.00%
2019	7.150%	7.150%	2.500%	7	4.50% - 14.75%
2020	7.000%	7.000%	2.500%	7	5.20% - 14.10%
2021	6.900%	6.900%	2.500%	7	5.20% - 14.10%
2022	6.900%	6.900%	2.500%	7	5.20% - 14.10%
2023	6.900%	6.900%	2.500%	7	5.20% - 14.10%
2024	6.900%	6.900%	2.500%	7	5.20% - 14.10%
2025	6.900%	6.900%	2.500%	7	5.00% - 14.50%

INTERNAL CONTROL OVER FINANCIAL REPORTING AND COMPLIANCE AND OTHER MATTERS SECTION

PITTS & MATTE

a corporation 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

Board of Commissioners
Fire Protection District No. 3, of the Parish
of St. Mary, State of Louisiana
Bayou Vista, Louisiana

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, the financial statements of the governmental activities, each major fund and the budgetary comparisons for the General Fund of Fire Protection District No. 3 of the St. Mary Parish (District) as of the year ended September 30, 2025, and the related notes to the financial statements which collectively comprise the District's basic financial statements, and have issued our report thereon dated May 29, 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) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion 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 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.

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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 and therefore, material weakness or deficiencies may exist that were not identified. We identified certain material weaknesses in internal control, described in the accompanying schedule of findings and questioned cost as items 2025-001 and 2025-002.

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, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matter that is required to be reported under Government Auditing Standards and which is detailed in the accompanying schedule of findings as 2025-003.

The District's Response to Finding

The District's response to the finding identified in our audit is described in the accompanying schedule of findings. The District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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 organization'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 organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However, under Louisiana Revised Statute 24:513, this report is considered a public record and may be distributed by the Legislative Auditor.

Pitts + Matta

CERTIFIED PUBLIC ACCOUNTANTS

May 29, 2026
Morgan City, Louisiana

FIRE PROTECTION DISTRICT NO. 3
of the Parish of St. Mary, State of Louisiana

Schedule of Findings
For the Year Ended September 30, 2025

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unmodified opinion on the financial statements of the Fire Protection District No. 3 of the Parish of St. Mary.

2. Report on Internal Control and Compliance Material to the Financial Statements

   Internal Control

   Two deficiencies in internal control are reported as material weaknesses for the year ended September 30, 2025.

   Compliance and Other Matters

   There was one material instance of noncompliance or other matters required to be reported for the year ended September 30, 2025.

3. Federal Awards

   This section is not applicable for the year ended September 30, 2025.

4. Management Letter

   No letter was issued.

B. FINDINGS – FINANCIAL STATEMENT AUDIT

Internal Control

Material Weakness

ITEM 2025-001 - SEGREGATION OF DUTIES

Auditors' Comments

Year Initially Occurring: Unknown

Condition: Accounting and financial functions are not adequately segregated.

Criteria: Internal control is a process - effected by those charged with governance, management, and other personnel - designed to provide reasonable assurance about the achievement of objectives with regard to reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations. The District's internal control over financial reporting includes those policies and procedures that pertain to the District's ability to record, process, summarize, and report financial data consistent with the assertions embodied in financial statements.

Cause: The cause of the condition is the result of a failure to design and implement policies and procedures necessary to achieve adequate internal control.

Effect: Failure to adequately segregate accounting and financial functions increases the risk that errors and/or irregularities including fraud and/or defalcations may occur and not be prevented and/or detected.

Recommendation: Due to the size of the operation and the cost-benefit of additional personnel, it may not be feasible to achieve complete segregation of duties.

ITEM 2025-002 – FINANCIAL REPORTING

Year Initially Occurring: Unknown

Condition: Management and staff lack the expertise and/or experience in the selection and application of generally accepted accounting principles, as applicable to governmental entities, in the financial statement preparation process.

Criteria: The District's internal control over financial reporting includes those policies and procedures that pertain to its ability to record, process, summarize, and report financial date consistent with the assertions embodied in the financial statements, including the ability of its management and staff to detect potential misstatements that may exist in the financial statements and related disclosures.

Cause: The condition results from a reliance on the auditor as part of the internal control process.

Effect: Financial statements and related notes may reflect a material departure from generally accepted accounting principles.

Recommendation: The additional costs required to achieve the desired benefit may not be economically feasible.

COMPLIANCE AND OTHER MATTERS

ITEM 2025-003 – FAILURE TO FILE AUDIT REPORT ON TIME

Year Initially Occurring: 2023

Condition: The District's audit was completed and furnished to the Louisiana Legislative Auditor within the required time frame of the approved extension request. However, because the extension is a nonemergency extension, a late filing finding is required to be reported.

Criteria: Audit reports should be filed with the Office of the Legislative Auditor no later than six months after the entity's fiscal year end.

Cause: Submission of the report beyond the due date, although extended on a non-emergency basis requires a finding.

Effect: Failure to complete and furnish the audit on time violated state statute. In addition, management should be presented with timely financial information so that they can better manage the District's operation.

Recommendation: The District should submit its audited financial statement within the required time frame.

C. FINDINGS AND QUESTIONED COSTS – FEDERAL AWARD PROGRAMS

This section is not applicable for the year ended September 30, 2025.

SUMMARY OF PRIOR YEAR FINDINGS AND RELATED CORRECTIVE ACTION
PREPARED BY FIRE PROTECTION DISTRICT NO. 3
OF THE ST. MARY PARISH, STATE OF LOUISIANA

INTERNAL CONTROL OVER FINANCIAL REPORTING AND COMPLIANCE AND OTHER MATTERS MATERIAL TO THE FINANCIAL STATEMENTS

Internal Control

Material Weakness

Item 2024-001 Inadequate Segregation of Duties

Condition: Accounting and financial functions are not adequately segregated.

Recommendation: Due to the size of the operation and the cost-benefit of additional personnel, it may not be feasible to achieve complete segregation of duties.

Current Status See schedule of current year and findings item 2025-001.

Item 2024-002 Financial Reporting

Condition: Management and staff lack the expertise and/or experience in the selection and application of generally accepted accounting principles, as applicable to governmental entities, in the financial statement preparation process.

Recommendation: The additional costs required to achieve the desired benefit may not be economically feasible.

Current Status See schedule of audit results and findings item 2025-002.

Instance of Non-Compliance

Item No. 2024-003 LATE REPORT ISSUANCE

Condition: The Fire Protection District No. 3 of the Parish of St. Mary failed to submit its annual financial statements to the Louisiana Legislative Auditor's Office by the statutory due date.

Recommendation: The District should take the necessary steps to ensure that all financial records are accurate and made available to the District's accountant in a timely manner.

Current Status See schedule of audit results and findings item 2025-003.

INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS

Not applicable to prior year.

CORRECTIVE ACTION PLAN FOR CURRENT FINDINGS

Mr. Joseph Foret
Fire Protection District No. 3
Parish of St. Mary
P O Box 921
Amelia, Louisiana 70340
Phone (985) 631-2883

May 29, 2026

Pitts & Matte, CPAs
P.O. Box 2363
Morgan City, LA 70381

The following is in response to the finding resulting from the District's audit for the fiscal year ended September 30, 2025:

2025-001 - Segregation of Duties

Accounting and financial functions are not adequately segregated.

Management's Response

Corrective Action Plan: Due to the size of the operation and the cost-benefit of additional personnel, it may not be feasible to achieve complete segregation of duties. We were advised that a response to this issue is not required.

Name of contact person responsible for corrective action: As described above, corrective action is not considered necessary.

Anticipated completion date for the corrective action: As described above, corrective action is not considered necessary.

2025-002 - Financial Reporting

Management and staff lack the expertise and/or experience in the selection and application of generally accepted accounting principles, as applicable to governmental entities, in the financial statement preparation process.

Management's Response

Corrective Action Plan: The Board of Commissioners has determined that it would be more cost effective to outsource the preparation of the District's financial statements to its independent auditors rather than incur the costs of additional personnel.

Name of contact person responsible for corrective action: As described above, corrective action is not considered necessary.

Anticipated completion date for the corrective action: As described above, corrective action is not considered necessary.

2025-003 – Failure to File Audit Report on Time

The District's annual financial report was submitted beyond the six month due date for the report as required by state law.

Management's Response

The District will take necessary steps to ensure that future finanical statements are accurate and submitted within the prescribed time period.

Name of contact person responsible for corrective action: Joseph Foret

President

Anticipated completion date for the corrective action: 9/30/2026.

Sincerely,

Joseph Foret

FIRE PROTECTION DISTRICT NO. 3

OF THE PARISH OF ST. MARY

STATE OF LOUISIANA

SCHEDULE OF PROCEDURES PERFORMED AND
ASSOCIATED FINDINGS BASED UPON THE
STATEWIDE AGREED-UPON PROCEDURES

FOR THE YEAR ENDED
September 30, 2025
WITH
AGREED UPON PROCEDURES REPORT
BY
INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

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PITTS & MATTE

a corporation of
certified public accountants

INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Board of Commissioners
Fire Protection District No. 3 of the
Parish of St. Mary
and the Louisiana Legislative Auditor:

We have performed the procedures enumerated in the attached Schedule of Procedures Performed and Associated Findings Based Upon the Statewide Agreed-Upon Procedures (Schedule), on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor (LLA)'s Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period October 1, 2024 through September 30, 2025. Fire Protection District No. 3 of the Parish of St, Mary (District) management is responsible for those C/C areas identified in the SAUPs presented in the attached Schedule.

The District has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period October 1, 2024 through September 30, 2025. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are included in the attached Schedule.

We were engaged by the District to perform this agreed-upon procedures engagement and conducted our engagement in accordance with 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 those 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.

p. o. box 2363 — morgan city, louisiana 70381-2363 — (985) 384-7545

The purpose of this report is 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 may be distributed by the LLA as a public document.

Pitts + Mott

CERTIFIED PUBLIC ACCOUNTANTS

Morgan City, Louisiana
May 29, 2026

FIRE PROTECTION DISTRICT NO. 3 OF THE PARISH OF ST. MARY

STATE OF LOUISIANA

Schedule of Procedures Performed and Associated Findings Based upon the Statewide Agreed-Upon Procedures For the Year Ended September 30, 2025

Guide to Presentation Format

This report contains these items presented in this order:

Statewide Agreed-Upon Procedures (SAUPs) prescribed by the Louisiana Legislative Auditor (LLA),
Procedures performed by the Independent Certified Public Accountant,
Findings based upon the procedures performed, and
Management's Comments relative to the findings, if applicable.

In order to facilitate understanding this report - the procedures and findings are presented in the following format:

Order of Presentation	Presentation Format
Area or function	**Centered all CAPITALS IN BOLD TYPE**
Statewide Agreed-Upon Procedures Prescribed (SAUPs) by Louisiana Legislative Auditor (LLA)	Regular type highlighted with numbers or letters (if there are multiple parts)
Actual procedures performed by Independent Certified Public Accountant	Denoted as **Procedure Performed:** (in bold type) followed by procedure in regular type
Finding based upon procedure performed	Denoted as **Findings:** (in bold type) followed by findings in regular type
Management's response to findings	Denoted as ***Management's Response:***(in bold type) followed by *managements response in italics*

WRITTEN POLICIES AND PROCEDURES

1) Written Policies and Procedures

A. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:

Budgeting

i. Budgeting, including preparing, adopting, monitoring, and amending the budget.

Procedure Performed: Inquired of management and obtained management's representation that the District does not have written policies and procedures for budgeting.

Findings: Found the District has policies and procedures in place for budgeting; however, the policies and procedures are not in writing.

Purchasing

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.

Procedure Performed: Inquired of management and obtained management's representation that the District does not have written policies and procedures for purchasing.

Findings: Found the District has policies and procedures in place for purchasing; however, the policies and procedures are not in writing.

Disbursements

iii. Disbursements, including processing, reviewing, and approving.

Procedure Performed: Inquired of management and obtained management's representation that the District does not have written policies and procedures for disbursements.

Findings: Found the District has policies and procedures in place for disbursements; however, the policies and procedures are not in writing.

Receipts/Collections

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 agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation);

Procedure Performed: Inquired of management and obtained management's representation that the District does not have written policies and procedures for receipts/collections.

Findings: Found the District has policies and procedures in place for receipts/collections; however, the policies and procedures are not in writing.

Payroll/Personnel

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.

Procedure Performed: Obtained from management and inspected the St. Mary Parish Council's Personnel Policy Manual adopted by the District, as well as State Laws as they pertain to fire fighters for payroll/personnel.

Findings: Found the written policies and procedures for payroll/personnel include the specified functions listed above.

Contracting

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.

Procedure Performed: Inquired of management and obtained management's representation that the District does not have written policies and procedures for contracting.

Findings: Found the District has policies and procedures in place for contracting; however, the policies and procedures are not in writing.

Travel and Expense Reimbursement

vii. Travel and Expense Reimbursement, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.

Procedure Performed: Inquired of management and obtained management's representation that the District does not have written policies and procedures for travel and expense reimbursement.

Findings: Found the District has policies and procedures in place for travel and expense reimbursement; however, the policies and procedures are not in writing.

Credit Cards

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).

Procedure Performed: Inquired of management and obtained management's representation that the District does not have written policies and procedures for credit cards.

Findings: Found the District has not adopted formal policies and procedures for credit cards because the District has no credit cards, debit cards, fuel cards, or purchase cards. Therefore, this procedure is not applicable to the entity.

Ethics

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 entity's ethics policy.

Procedure Performed: Inquired of management and obtained management's representation that the District does not have written policies and procedures for Ethics.

Findings: Found the District has policies and procedures in place for ethics; however, the policies and procedures are not in writing.

Debt Service

x. Debt Service, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

Procedure Performed: Inquired of management and obtained management's representation that the District does not have written policies and procedures for debt service.

Findings: Found the District has policies and procedures in place for debt service; however, the policies and procedures are not in writing.

Information Technology Disaster Recovery/Business Continuity

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.

Procedure Performed: We performed the procedures.

Findings: Discussed the findings with management.

Prevention of Sexual Harassment

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

Procedure Performed: Inquired of management and obtained management's representation that the District does not have written policies and procedures for prevention of sexual harassment.

Findings: Found the District has policies and procedures in place for prevention of sexual harassment; however, the policies and procedures are not in writing.

Management's response:

We will review St. Mary Parish Council updates on policies and procedures and adopt the appropriate policies.

2) Board or Finance Committee

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.

Procedure Performed: Obtained and read the District's board minutes for the fiscal period, as well as Louisiana State Law as it relates to Fire Districts and the Ordinance that created the District.

Findings: Found that the District met with a quorum for eleven of twelve monthly meetings.

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. *Alternatively, for those entities reporting on the not-for-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*

Procedure Performed: Obtained and read the District's board minutes for the fiscal period.

Findings: Found that the minutes did not reference budget-to-actual comparisons on the general fund.

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.

Procedure Performed: Obtained and read the District's prior year audit report and observed the unassigned fund balance in the general fund.

Findings: Found that general fund did not have a negative ending unassigned fund balance in the prior year audit report.

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.

BOARD OR FINANCE COMMITTEE (CONTINUED)

Procedure Performed: Obtained and read the District's meeting minutes for the fiscal period.

Findings: Found the minutes did not reference whether the board received written updates of the progress of resolving audit findings according to management's corrective action plan.

Management's response:

In the future, we will meet with a quorum monthly and include budget-to-actual comparisons for the general fund periodically at monthly meetings. We will also provide the board with written updates of the progress of resolving audit findings according to our corrective action plan.

3) Bank Reconciliations

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

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);

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, electronically logged); and

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.

Procedures Performed: Obtained the listing of bank accounts from management, and management's representation that the list is complete. The listing contained 3 bank accounts, including a money market account and a savings account, which are not part of the District's daily business operations; therefore, we excluded these accounts for the purposes of the Louisiana Legislative Auditor's Statewide Agreed-Upon Procedures. For the District's main operating account, we randomly selected one month from the fiscal period, then obtained and inspected the bank statement and bank reconciliation.

Findings: For the District's main operating account, we

i. Found the bank reconciliation did not include evidence that it was prepared within 2 months of the related statement closing date.

ii. Observed no written evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed the bank reconciliation within 1 month of the preparation date.

iii. Observed there were no reconciling items that have been outstanding for more than 12 months from the statement closing date.

Management's response:

In the future, we will include evidence that bank reconciliations are prepared within 2 months of the related statement closing date and we will include evidence that a member of management or board member who does not handle cash, post ledgers, or issue checks has reviewed each reconciliation within 1 month of date the reconciliation was prepared.

4) 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).

Procedure Performed: Obtained the listing of deposit sites where deposits for cash/check/money order (cash) are prepared and management's representation that the listing is complete.

Findings: Found the District has only one deposit site.

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

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

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;

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; and

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.

Procedure Performed: Obtained the listing of cash/check/money order (cash) collections locations for the District's one deposit site and management's representation that the listing is complete. We inquired of management about employee job duties to observe that job duties are properly segregated.

Findings: Found the District has only one cash collection location, and

i. Found that one employee is responsible for cash collections and does not share a cash drawer.

ii. Found that the employee responsible for collections is also responsible for preparing/making bank deposits. However, an outside accountant is responsible for reconciling collection documentation to the deposit.

iii. Found that the employee responsible for collections is not responsible for posting collection entries to the general ledger or subsidiary ledgers. The outside accountant is responsible for posting collection entries to the general ledger or subsidiary ledgers.

iv. Found that the employee responsible for collections is not responsible for reconciling cash collections. The outside accountant reconciles cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or custodial fund additions.

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.

Procedure Performed: Inquired of management and obtained management's representation that employees who had access to cash were not covered by a bond or insurance policy for theft.

Findings: Found that employees with access to cash were not covered by a bond or insurance policy for theft during the fiscal period.

D. Randomly select two deposit dates for each of the 5 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). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and

i. Observe that receipts are sequentially pre-numbered.

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

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

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).

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

Procedure Performed: Randomly selected two deposit dates from the bank statement for the bank account selected for procedure #3A (selected the next deposit date chronologically if no deposit was made on the dates randomly selected and randomly selected a deposit if multiple deposits were made on the same day). Obtained supporting documentation for the selected deposits with the exception of collection documentation.

COLLECTIONS (EXCLUDING ELECTRONIC FUNDS TRANSFERS) (CONTINUED)

Findings:

i. Found that the District does not use sequentially prenumbered receipts.

ii. Found there was no collection documentation to trace to the deposit slip.

iii. Found that the deposit slip totals agreed to the actual deposits per the bank statements.

iv. Found there was no evidence to determine that the deposits were made within one business day of the receipt.

v. Found that the actual deposits per the bank statements were recorded in the general ledger.

Management's response:

We will look into ensuring employees who have access to cash are covered by a bond or insurance policy for theft.

We do not consider it necessary to have sequentially prenumbered receipts for collections received from other governmental entities.

In the future, we will maintain collection documentation and document the date that funds are received to indicate that deposits are made within one business day of receipt.

NON-PAYROLL DISBURSEMENTS (EXCLUDING CARD PURCHASES, TRAVEL REIMBURSMENTS, AND PETTY CASH PURCHASES)

5) Non-Payroll Disbursement (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).

Procedure Performed: Obtained a listing of locations that process payments from management and management's representation that the listing is complete.

Findings: Found the District has one location that processes payments.

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

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

ii. At least two employees are involved in processing and approving payments to vendors;

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;

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; and

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.

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

Procedure Performed: Obtained a listing of employees/officials involved with non-payroll purchasing and payment functions and inquired of management regarding employees' job duties.

Findings:

i. Found that one employee and one official are involved in initiating a purchase request, approving a purchase, and placing an order/making a purchase.

ii. Found that one employee and board members are involved in processing and approving payments to vendors.

iii. Found that the employee responsible for processing payments is not prohibited from adding/modifying vendor files.

iv. Found that the employee who is responsible for signing checks is also responsible for mailing the check.

v. Found that the chairman of the board, who is authorized to sign checks, approves the electronic disbursement of funds.

C. For each location selected under procedure #5A above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction, and

i. Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the entity, and

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

Procedure Performed: Obtained the District's non-payroll disbursements transaction population (excluding cards and travel reimbursements) and management's representation that the population is complete. We randomly selected 5 disbursements from the listing and obtained supporting documentation for 4 of the 5 transactions.

Findings:

i. Found that 4 of the 5 selected disbursements matched the related original invoice. Found that 1 of the 5 selected disbursements was for deliverables; however, supporting documentation did not indicate that deliverables were received by the District.

ii. Found disbursement documentation did not include evidence of segregation of duties tested under 5B(i), 5B(ii), and 5B(iv). Procedure 5B(iii) and 5B(v) are not applicable for the selected disbursements because vendor files were not added or modified at the time of the disbursement and none of the disbursements were electronically disbursed.

NON-PAYROLL DISBURSEMENTS (EXCLUDING CARD PURCHASES, TRAVEL REIMBURSMENTS, AND PETTY CASH PURCHASES) (CONTINUED)

D. Using the entity'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 entity's policy, and (b) approved by the required number of authorized signers per the entity's policy. *Note: If no electronic payments were made from the main operating account during the month selected the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.*

Procedure Performed: Inquired of management and obtained management's representation that the District did not have any non-payroll electronic disbursements during the fiscal period.

Findings:
Found that the District did not have any non-payroll electronic disbursements during the fiscal period.

Management's response:
In the future, we will consider changes in our procedures to mitigate our lack of segregation of duties.

6) 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.

Procedure Performed: Inquired of management and obtained management's representation that the District did not have any active credit cards, bank debit cards, fuel card, and purchase cards (cards) during the fiscal period.

Findings: Found that the District did not have any credit cards, debit bank cards, fuel cards, or purchase cards during the fiscal period.

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

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

C. Using the monthly statements or combined statements selected under procedure #6B above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (e.g., each card should have 10 transactions subject to inspection). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and observe whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

Procedures #6B and #6C are not applicable because the District did not have any credit cards, bank debit cards, fuel cards, or purchase cards during the fiscal period.

Management's response:
No comment.

TRAVEL AND TRAVEL-RELATED EXPENSE REIMBURSEMENTS (EXCLUDING CARD TRANSACTIONS)

7) 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, 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

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/) or the U.S. General Services Administration (www.gsa.gov);

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

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); and

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

Procedure Performed: Inquired of management and obtained management's representation that the District did not have any travel or travel-related expense reimbursements during the fiscal period.

Findings: Found that there were no travel or travel-related expense reimbursements during the fiscal year.

Management's response:
No comment.

8) 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

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;

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);

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); and

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.

Procedure Performed: Inquired of management and obtained management's representation that no agreements/contracts for professional services, materials and supplies, leases, and construction activities were initiated or renewed during the fiscal period.

Findings: Found that no agreements/contracts were initiated or renewed during the fiscal period.

Management's response:
No comment.

9) 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.

Procedure Performed: Obtained a listing of employees/officials employed during the fiscal period and obtained management's representation that the listing is complete. Randomly selected 5 employees/officials from the listing. Of the 5 employees/officials selected, 3 do not earn leave and do not document their attendance and leave. For the remaining 2 employees, we inquired of management regarding paid salaries and authorized salaries in the personnel files.

Findings: Found there is no documentation to agree paid salaries to authorized salaries in the personnel files.

B. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under procedure #9A above, 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);

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

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

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

Procedure Performed: Randomly selected one pay period during the fiscal period (pay period ending 5/15/2025) and requested attendance records and leave documentation for the employees selected for procedure #9A.

Findings:

i. Found that the daily attendance and leave of the selected employees was documented.

ii. Found no evidence that a supervisor approved the daily attendance and leave of the selected employees for the pay period selected.

iii. Found that leave accrued or taken during the pay period was reflected in the entity's cumulative leave records.

iv. Found there is no documentation to agree the rate paid to employees to the authorized salary for the 2 employees selected; however, firefighters receive a mandated annual pay increase required by state law and the board approves the annual increase at the board meeting.

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 entity'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 entity policy.

Procedure Performed: Inquired of management and obtained management's representation that no employees received termination payments during the fiscal period.

Findings: Found that no termination payments were made during the fiscal period.

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.

Procedure Performed: Inquired of management and obtained management's representation that employer and employee portions of third-party payroll related amounts have been paid and all associated forms have been filed by required deadline.

Findings: Found that employer and employee portions of third-party payroll related amounts have been paid, and associated forms have been filed by required deadlines.

Management's response:

We will complete and maintain updated authorized salary/pay rate forms for each employee.

In the future, we will have timesheets approved by a supervisor.

ETHICS

10) 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; and

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

Procedure Performed: Obtained from management and observed ethics documentation for the 5 selected employees/officials from Payroll and Personnel procedure #9A. Obtained management's representation that there were no changes to the District's ethics policy during the fiscal year.

Findings:

i. Found that 3 of the 5 selected employees/officials completed one hour of ethics training during the fiscal period.

ii. This procedure is not applicable. There were no changes to the District's ethics policy during the fiscal period.

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

Procedure Performed: Inquired of management and obtained management's representation that the District has not appointed an ethics designee as required by R.S. 42:1170.

Findings: Found that the District has not appointed an ethics designee.

Management's response:

In the future, we will have all employees and officials complete ethics training annually.

We will appoint an ethics designee as required by R.S. 42:1170.

DEBT SERVICE

11) 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.

Procedure Performed: Inquired of management and obtained management's representation that no bonds/notes and other debt instruments were issued during the fiscal period.

Findings: Found the District did not issue any bonds/notes or other debt instruments during the fiscal period.

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).

Procedure Performed: Inquired of management and obtained management's representation that the District had no bonds/notes outstanding at the end of the fiscal period.

Findings: Found the District had no bonds/notes outstanding at the end of the fiscal period.

Management's response:
No comment.

FRAUD NOTICE

12) 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 entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled as required by R.S. 24:523.

Procedure Performed: Inquired of management and obtained management's representation that the District did not have any misappropriation of public funds and assets during the fiscal period.

Findings: Found the District did not have any misappropriation of public funds and assets during the fiscal period.

B. Observe that the entity has posted, on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

Procedure Performed: Observed the District posted the fraud, waste, and abuse notice required by R.S. 24-523.1 on its premises. Inquired of management and obtained management's representation that the District does not have a website.

Findings: Found that the District posted the notice required by R.S. 24-523.1 on its premises, and the District does not have a website.

Management's response:
No comment.

INFORMATION TECHNOLOGY DISASTER RECOVERY/BUSINESS CONTINUITY

13) 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 entity'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 government's local server or network, and (c) was encrypted.

Procedure Performed: We performed the procedures.

Findings: Verbally discussed the results with management.

B. Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if 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.

Procedure Performed: We performed the procedures.

Findings: Verbally discussed the results with management.

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

Procedure Performed: We performed the procedures.

Findings: Verbally 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.

Procedure Performed: We performed the procedures.

Findings: Verbally 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 agency'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.

Procedure Performed: We performed the procedures.

Findings: Verbally discussed the results with management.

14) 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.

Procedure Performed: Obtained and observed sexual harassment training documentation from management for the 5 employees/officials selected in Payroll and Personnel procedure #9A.

Findings: Found that 3 of 5 selected employees/officials completed at least one hour of sexual harassment training during the calendar year.

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

Procedure Performed: Observed the District posted its sexual harassment policy and complaint procedure in a conspicuous location on the premises. Inquired of management and obtained management's representation that the District does not have a website.

Findings: Found that the District posted its sexual harassment policy and complaint procedure on its premises and does not have a website.

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

i. Number and percentage of public servants in the agency who have completed the training requirements;
ii. Number of sexual harassment complaints received by the agency;
iii. Number of complaints which resulted in a finding that sexual harassment occurred;
iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
v. Amount of time it took to resolve each complaint.

Procedure Performed: Inquired of management and obtained management's representation that the District did not complete an annual sexual harassment report for the current fiscal period.

Findings: Found that the District did not compile an annual sexual harassment report for the current fiscal period as required by R.S. 42:344.

Management's response:

In the future, we will have all employees and officials complete sexual harassment training annually and we will compile an annual sexual harassment report as required by R.S. 42:344.