Terrebonne Parish Fire District No. 4-A

Terrebonne Parish Consolidated Government

Annual Financial Report

Year Ended December 31, 2025

Terrebonne Parish Fire District No. 4-A
Terrebonne Parish Consolidated Government

Annual Financial Report
Year Ended December 31, 2025

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INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
Terrebonne Parish Fire District No. 4-A
Terrebonne Parish Consolidated Government
Houma, Louisiana

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the governmental activities and the major fund of Terrebonne Parish Fire District No. 4-A, a component unit of the Terrebonne Parish Consolidated Government, as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position and the 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 (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* (GAS), 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 Terrebonne Parish Fire District No. 4-A 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.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern 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 GAAS and GAS 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 GAAS and GAS, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 5 through 8, the Budgetary Comparison Schedule – General Fund on page 36, the Schedule of Changes in Total Other Post-Employment Benefit Liability on page 37, the Schedule of Employer's Share of Net Pension Liability on page 38, and the Schedule of Employer Contributions on page 39 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Terrebonne Parish Fire District No. 4-A's basic financial statements. The Schedule of Compensation, Benefits, and Other Payments to District Head on page 40 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Compensation, Benefits, and Other Payments to District Head is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 15, 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Martin and Pellegrin

Houma, Louisiana
May 15, 2026

MANAGEMENT'S DISCUSSION AND ANALYSIS

Terrebonne Parish Fire District No. 4-A
Terrebonne Parish Consolidated Government

Management's Discussion and Analysis
Year Ended December 31, 2025

As management of the Terrebonne Parish Fire District No. 4-A (the District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the year ended December 31, 2025.

FINANCIAL HIGHLIGHTS

- Terrebonne Parish Fire District No. 4-A's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by $1,012,220 (net position) as of December 31, 2025.

- Revenues exceeded expenditures by $420,267.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis serves as an introduction to the District's financial statements. Terrebonne Parish Fire District No. 4-A's financial statements consist of the following:

Statement of Net Position. This statement combines and consolidates the governmental fund's current financial resources (short-term spendable resources) with capital assets and long-term obligations, regardless if they are currently available or not.

Statement of Activities. Consistent with the full accrual basis of accounting method, this statement accounts for the entity-wide current year revenues and expenses regardless of when cash is received or paid.

Balance Sheet – Governmental Fund – General Fund. This statement presents the District's assets, liabilities, and fund balance for its general fund only.

Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Fund Type – General Fund. Consistent with the modified accrual basis of accounting method, this statement accounts for current year revenues when received except when they are measurable and available. Expenditures are accounted for in the period that goods and services are used in the government's activities. In addition, capital asset purchases are expensed and not recorded as an asset. The statement also exhibits the relationship of revenues and expenditures with the change in fund balance.

Notes to the Financial Statements. The accompanying notes provide additional information essential to a full understanding of the data provided in the basic financial statements.

BASIC FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of an entity's financial position. In the case of the District, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $1,012,220 at the close of the most recent year, December 31, 2025. The largest portions of the District's total assets are due from other governments (31%) and capital assets, net of accumulated depreciation (36%).

The District's Net Position

	December 31, 2025	December 31, 2024
ASSETS		
Current assets	$ 2,776,524	$ 1,858,767
Capital assets, net of accumulated depreciation	1,844,209	1,837,458
Financing lease asset, net of accumulated amortization	465,062	523,195
TOTAL ASSETS	5,085,795	4,219,420
DEFERRED OUTFLOWS OF RESOURCES		
Pension-related	329,943	370,852
Related to post-employment benefits	411,697	394,362
TOTAL DEFERRED OUTFLOWS OF RESOURCES	741,640	765,214
LIABILITIES		
Current liabilities	202,683	224,717
Long-term liabilities	1,716,653	2,157,774
TOTAL LIABILITIES	1,919,336	2,382,491
DEFERRED INFLOWS OF RESOURCES		
Ad valorem taxes revenue	2,395,057	1,657,823
Pension-related	340,609	98,946
Related to post-employment benefits	160,213	253,421
TOTAL DEFERRED INFLOWS OF RESOURCES	2,895,879	2,010,190
NET POSITION		
Net investment in capital assets	1,844,209	1,837,458
Unrestricted	(831,989)	(1,245,505)
TOTAL NET POSITION	$ 1,012,220	$ 591,953

Total assets plus deferred outflows of resources increased by $842,801, and total liabilities plus deferred inflows of resources increased by $422,534.

During the year, the District's net position increased by $420,267. The elements of the increase are as follows:

The District's Changes in Net Position

	For the Year Ended December 31, 2025	For the Year Ended December 31, 2024
REVENUES		
Taxes	$ 1,701,063	$ 1,594,098
Intergovernmental	440,020	102,918
TOTAL REVENUES	2,141,083	1,697,016
EXPENSES		
General government		
Ad valorem tax deductions	78,306	54,169
Public safety - fire protection		
Personnel services	913,043	1,066,518
Other services and charges	247,391	270,896
Repairs and maintenance	159,997	127,092
Supplies and maintenance	51,841	108,118
Professional fees	30,028	25,742
Depreciation and amortization	265,153	242,744
Interest expense	30,093	32,612
TOTAL EXPENSES	1,775,852	1,927,891
OTHER REVENUES AND EXPENSES		
Interest and dividends	60,240	71,934
Other	15,628	12,285
Insurance proceeds	-	10,488
Loss on disposal of capital assets	(20,832)	-
TOTAL OTHER REVENUES AND EXPENSES	55,036	94,707
CHANGE IN NET POSITION	420,267	(136,168)
NET POSITION - BEGINNING	591,953	728,121
NET POSITION - ENDING	$ 1,012,220	$ 591,953

As indicated above, net position increased by $420,267 in 2025. The increase is primarily due to the increase in taxes and intergovernmental revenue.

CAPITAL ASSETS

As of December 31, 2025, the District had $1,837,458 invested in capital assets as follows:

	2025	2024
Capital assets	$ 4,454,556	$ 4,351,529
Less accumulated depreciation	(2,610,347)	(2,514,071)
	$ 1,844,209	$ 1,837,458

Capital assets consist of land, buildings, vehicles, machinery and equipment, and office furniture and equipment. Depreciation expense for the year is $207,020.

FINANCING LEASE ASSET AND LIABILITY

On September 8, 2023, the District acquired a fire truck for $581,328 through a financing lease. One principal payment of $47,438 was paid during the year, reducing the balance due to $488,972.

VARIATIONS BETWEEN ORIGINAL AND FINAL BUDGETS AND ACTUAL RESULTS

The District's annual budget is adopted on a modified accrual basis of accounting excluding certain noncash items, such as depreciation. The District amended its budget once during the year. Total budgeted revenues increased by $416,806 from the original amount to accommodate additional ad valorem taxes and other income that were received. Total budgeted expenditures increased $374,850 from its original amount. The majority of this increase was for other services and charges and capital outlay.

The District's actual revenues were less than the budgeted revenues by $108,561, an unfavorable variance of 4.83%. The District's actual expenditures were more than the budgeted expenditures by $31,370, an unfavorable variance of 1.64%.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the District's finances for all those with such an interest. If you should have any further questions concerning any of the information provided in this report or have a request for additional financial information, please direct your inquiries to:

Shawn Bumm, Fire Chief
6129 Grand Caillou Road
Houma, Louisiana 70363
Phone number (985) 563-4112

FINANCIAL STATEMENTS

Terrebonne Parish Fire District No. 4-A
Terrebonne Parish Consolidated Government

Statement of Net Position
December 31, 2025

	Governmental Activities
ASSETS	
Current assets:	
Cash and cash equivalents	$ 221,502
Investments	249,762
Accounts receivable	176
Ad valorem taxes receivable	612,197
Due from other governments	1,560,758
Prepaid expenses	127,115
Deposits	5,014
Total current assets	2,776,524
Capital assets:	
Nondepreciable	207,944
Depreciable, net of accumulated depreciation	1,636,265
Total capital assets	1,844,209
Financing lease asset, net of accumulated amortization of $116,266	465,062
TOTAL ASSETS	5,085,795
DEFERRED OUTFLOWS OF RESOURCES	
Pension-related	329,943
Other post-employment benefits-related	411,697
TOTAL DEFERRED OUTFLOWS OF RESOURCES	741,640
LIABILITIES	
Current liabilities:	
Accounts payable	92,602
Accrued expenses	4,802
Salaries and benefits payable	55,179
Current portion of financing lease liability	50,100
Total current liabilities	202,683
Noncurrent liabilities:	
Net pension liability	924,393
Other post-employment benefits liability	319,254
Compensated absences payable	34,134
Financing lease liability, less current portion	438,872
Total noncurrent liabilities	1,716,653
TOTAL LIABILITIES	1,919,336
DEFERRED INFLOWS OF RESOURCES	
Ad valorem taxes revenue	2,395,057
Pension-related	340,609
Other post-employment benefits-related	160,213
TOTAL DEFERRED INFLOWS OF RESOURCES	2,895,879
NET POSITION	
Net investment in capital assets	1,844,209
Unrestricted	(831,989)
TOTAL NET POSITION	$ 1,012,220

See accompanying notes.

Terrebonne Parish Fire District No. 4-A
Terrebonne Parish Consolidated Government

Statement of Activities
Year Ended December 31, 2025

	Expenses	Program Revenues: Charges for Expenses	Program Revenues: Operating Grants	Program Revenues: Capital Grants	Net (Expense) Revenue and Increase (Decrease) in Net Position
GOVERNMENTAL ACTIVITIES					
General government	$ 78,306	$ -	$ -	$ -	$ (78,306)
Public safety	1,718,378	-	380,248	-	(1,338,130)
Total	$ 1,796,684	$ -	$ 380,248	$ -	(1,416,436)
General revenues:					
Ad valorem taxes				$ 1,659,577	
Interest and dividends				60,240	
State supplemental pay				50,678	
2% fire insurance tax				41,486	
Other				15,628	
State revenue sharing				9,094	
Total general revenues					1,836,703
Increase in net position					420,267
NET POSITION - Beginning					591,953
NET POSITION - Ending					$ 1,012,220

See accompanying notes.

Terrebonne Parish Fire District No. 4-A
Terrebonne Parish Consolidated Government

Balance Sheet
Governmental Fund Type – General Fund
December 31, 2025

ASSETS		
Cash and cash equivalents	$	221,502
Investments		249,762
Accounts receivable		176
Ad valorem taxes receivable		612,197
Due from other government		1,560,758
Deposits		5,014
TOTAL ASSETS	$	2,649,409
LIABILITIES		
Accounts payable	$	92,602
Accrued expenses		4,802
Salaries and benefits payable		55,179
TOTAL LIABILITIES		152,583
DEFERRED INFLOWS OF RESOURCES		
Ad valorem taxes revenue		2,395,057
FUND BALANCE		
Unassigned		101,769
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	$	2,649,409

See accompanying notes.

Terrebonne Parish Fire District No. 4-A
Terrebonne Parish Consolidated Government

Statement of Revenues, Expenditures, and
Changes in Fund Balance –
Governmental Fund Type – General Fund
Year Ended December 31, 2025

REVENUES	
Taxes:	
Ad valorem	$ 1,659,577
2% fire insurance	41,486
Intergovernmental:	
Governmental grants	380,248
State supplemental pay	50,678
State revenue sharing	9,094
TOTAL REVENUES	2,141,083
EXPENDITURES	
General government	
Ad valorem tax deductions	78,306
Public safety - fire protection	
Personnel services	1,131,284
Other services and charges	263,853
Repairs and maintenance	159,997
Supplies and maintenance	51,841
Professional fees	30,028
Total public safety - fire protection	1,637,003
Capital outlay	234,603
Debt service	
Principal	47,438
Interest	30,093
Total debt service	77,531
TOTAL EXPENDITURES	2,027,443
EXCESS OF REVENUES OVER EXPENDITURES	113,640
GENERAL REVENUES	
Interest and dividends	60,240
Other	15,628
TOTAL GENERAL REVENUES	75,868
CHANGE IN FUND BALANCE	189,508
FUND BALANCE	
Beginning of year	(87,739)
End of year	$ 101,769

See accompanying notes.

Terrebonne Parish Fire District No. 4-A
Terrebonne Parish Consolidated Government

Reconciliation of the Balance Sheet of the Governmental
Fund to the Statement of Net Position
December 31, 2025

Fund balance - governmental fund	$	101,769
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Prepaid assets used in governmental activities are not available resources, and therefore, are not reported in the fund.		
Prepaid insurance and prepaid subscription		127,115
Capital assets of $4,454,556, net of accumulated depreciation of $2,610,347, are not financial resources and, therefore, are not reported in the fund.		1,844,209
Financing lease asset of $581,328, net of accumulated amortization of $116,266, is not a financial resource and, therefore, is not reported in the fund.		465,062
Deferred outflows of resources are not available resources, and therefore, are not reported in the fund.		
Pension		329,943
Other post-employment benefit		411,697
Deferred inflows of resources are not payable from current expendable resources, and therefore, are not reported in the fund.		
Pension		(340,609)
Other post-employment benefit		(160,213)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the fund.		
Net pension liability		(924,393)
Other post-employment benefits		(319,254)
Compensated absences payable		(34,134)
Financing lease liability		(488,972)
Total net position of governmental activities	$	1,012,220

See accompanying notes.

Terrebonne Parish Fire District No. 4-A
Terrebonne Parish Consolidated Government

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Fund to the Statement of Activities
Year Ended December 31, 2025

Change in fund balance - governmental fund		$ 189,508
Amounts reported for governmental activities in the Statement of Activities are different because:		
Prepaid assets used in governmental activities are not available resources, and therefore, are not reported in the fund:		
Increase in prepaid insurance and prepaid subscription		15,712
Governmental fund reports capital outlays as expenditures, whereas in the Statement of Activities, these costs are depreciated over their estimated useful lives:		
Depreciation expense	(207,020)	
Loss on disposal of capital assets	(20,832)	
Capital outlays	234,603	6,751
Governmental fund reports financing assets as expenditures, whereas in the Statement of Activities, these costs are amortized over their estimated useful lives.		
Amortization expense		(58,133)
Governmental fund reports debt incurrence as other financing source and debt repayments as an expenditure, whereas these are not presented on the Statement of Activities:		
Principal payments on lease liability		47,438
Effects of recording OPEB liability and deferred inflows and outflows of resources related to OPEB liability:		
Change in OPEB liability		79,439
Effects of recording net pension liability and deferred inflows and outflows of resources related to net pension liability:		
Change in pension liability		173,686
Payment of compensated absences is reported as expenditures in the governmental funds when actually paid. However, on the Statement of Activities, compensated absences are expensed as they are accrued. This is the change in the compensated absences liability for 2025.		(34,134)
Change in net position of governmental activities		$ 420,267

See accompanying notes.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Terrebonne Parish Fire District No. 4-A (the District) was created by the Terrebonne Parish Consolidated Government, pursuant to Louisiana Revised Statutes. The District is governed by a board of five commissioners appointed by the Parish Council. The District provides fire protection and related services and facilities in Terrebonne Parish within the boundaries established by the ordinance. It covers an area including Grand Caillou (Houma) and Dulac.

The accounting policies of Terrebonne Parish Fire District No. 4-A complies with accounting principles generally accepted in the United States of America (GAAP). GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. The more significant of the District's accounting policies are described below.

A. REPORTING ENTITY

Because the Parish Council appoints the governing body and thusly can impose its will, the Terrebonne Parish Fire District No. 4-A was determined to be a component unit of the Terrebonne Parish Consolidated Government, the governing body of the Parish and the governmental body with financial accountability. The accompanying financial statements present information only on the funds maintained by the District and do not present information on the Terrebonne Parish Consolidated Government, the general government services provided by that governmental unit, or the other governmental units that comprise the governmental reporting entity.

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

B. METHOD OF ACCOUNTING

GASB statements established standards for external financial reporting for all state and local governmental entities which includes a statement of net position and a statement of activities. It requires the classification of net position into three components – net investment in capital assets, restricted, and unrestricted. These classifications are defined as follows:

Net investment in capital assets – This component of net position consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds are not included in the calculation of net investment in capital assets. Rather, that portion of the debt is included in the same net position component as the unspent proceeds.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

Restricted – This component of net position consists of constraints placed on net position use though external constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

Unrestricted – This component of net position consists of net position that does not meet the definition of "restricted" or "net investment in capital assets".

When an expense is incurred for purposes for which both restricted and unrestricted net position is available, the District considers restricted funds to have been spent first.

GASB statements enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied. It establishes fund balance classifications that comprise hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. These classifications are defined as follows:

Nonspendable – This component of fund balance includes amounts that cannot be spent due to form, including inventories and prepaid amounts. Also included are amounts that must be maintained intact legally or contractually.

Restricted – This component of fund balance includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.

Committed – This component of fund balance includes amounts that can be used only for the specific purposes determined by a formal action of the District's highest level of decision-making authority. The Board of Commissioners must vote on commitments.

Assigned – This component of fund balance is intended to be used by the District for specific purposes but do not meet the criteria to be classified as restricted or committed. The Board of Commissioners can vote on applicable assigned amounts.

Unassigned – This component of fund balance is the residual classification for the District's general fund and includes all spendable amounts not contained in the other classifications.

Stabilization funds – This component of fund balance covers such things as revenue shortfalls, emergencies, or other purposes. The authority to set aside resources often comes from a statute, ordinance, or constitution.

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

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 or assigned actions.

The basic financial statements of the District are prepared on the accrual basis of accounting, whereby revenues are recognized when earned and expenses are recognized when incurred.

C. FUND TYPES

The District reports the following fund type:

Governmental Funds

Governmental Funds are those through which the governmental functions of the District are financed. The acquisition, use, and balances of the District's expendable financial resources and the related liabilities are accounted for through Governmental Funds.

The measurement focus is upon determination of changes in financial position, rather than upon net income determination. The following is the Governmental Fund of the District:

General Fund – The General Fund is the general operating fund of the District. It is used to account for all financial resources.

D. MEASUREMENT FOCUS/BASIS OF ACCOUNTING

Government-Wide Financial Statements

The government-wide financial statements display information as a whole. These statements include all the financial activities. 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 Non-exchange Transactions.

Fund Financial Statements

The amounts reflected in fund financial statements are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

revenues, expenditures, and changes in fund balance reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach is then reconciled, through adjustment, to a government-wide view of operations.

The amounts reflected in the fund financial statements use the modified accrual basis of accounting. 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 pay liabilities of the current period. The District considers all revenues available if they are collected within sixty days after the fiscal year-end. Expenditures are recorded when the related fund liability is incurred.

E. CASH AND CASH EQUIVALENTS

The District considers all highly liquid investments purchased with an initial maturity of three months or less to be cash equivalents.

F. ALLOWANCE FOR UNCOLLECTIBLE RECEIVABLES

The District's primary revenue source, ad valorem taxes, becomes delinquent if not paid by January 1st following the year of assessment. Unpaid taxes attach as an enforceable lien on property. The Board of Commissioners determined, based on prior historical information, that uncollectible receivables are immaterial to the District's financial statements.

G. INVESTMENTS

Investments are limited by Louisiana Revised Statute (R.S.) 33:2955. Investments during the year consisted of amounts deposited in the Louisiana Asset Management Pool (LAMP).

H. PREPAID INSURANCE

The District has recorded prepaid insurance in its government-wide financial statements. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items. In the fund financial statements, insurance premiums are recognized as other services and charges expenditures when paid.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

I. CAPITAL ASSETS

Capital assets, consisting of land, buildings, vehicles, machinery, office furniture and equipment, are presented on the Statement of Net Position. Capital assets purchased or acquired with an original cost of $500 or more are reported at historical cost or estimated historical cost. Donated capital assets are valued at their estimated acquisition value on the date donated. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation is recorded using the straight-line method over the useful lives of the assets as follows:

Buildings	10 - 40 years
Vehicles	5 - 15 years
Machinery and equipment	5 - 25 years
Office furniture and equipment	5 - 20 years

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

J. COMPENSATED ABSENCES

Annual leave is recorded as an expenditure of the period in which paid. Employees of the District can earn between 18 and 30 days per year of annual leave, depending upon length of service. Leave is awarded on the employee's anniversary date and must be taken during that year. It cannot be carried forward to the next year. Unused annual leave is due to the employee at the time of termination at an "hour-for-hour" rate. Accumulated leave as of the end of the year is valued using employees' current rates of pay and estimates of future leave usage, and the liability is recorded in the Statement of Net Position. There was no material unused annual leave as of December 31, 2025.

In accordance with Louisiana State Revised Statute 33:1995, every firefighter shall be entitled to full pay during sickness for a period of not less than fifty-two weeks. However, this amount is not accrued and not payable upon termination.

K. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources, which represents a consumption of net position that applies to future periods. The District has deferred outflows of resources related to pension and other post-employment benefit obligations.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources, which represents an acquisition of net position that applies to future periods. The District has deferred inflows of resources related to ad valorem taxes, its pension, and other post-employment benefit obligations.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

L. ESTIMATES

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

M. OPERATING BUDGETARY DATA

As required by Louisiana Revised Statute 39:1303, the Board of Commissioners adopted a budget for the District's General Fund. Any amendment involving the transfer of monies from one function to another or increases in expenditures must be approved by the Board. All budgeted amounts that are not expended or obligated through contracts lapse at year-end. The budget was amended once during the year.

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

N. ENCUMBRANCES

Encumbrance accounting, under which purchase orders, contracts, and other commitments are recorded in the fund general ledgers, is not utilized by the District.

O. RECENT ACCOUNTING PRONOUNCEMENTS

The following is a summary of accounting standards adopted by the Governmental Accounting Standards Board (GASB) that have been or are scheduled to be implemented in the future that may affect the District's financial report:

GASB Statement No. 102, *Certain Risk Disclosures*. The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. This standard is effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter. Management has implemented the standard, resulting in no material impact on its financial statements.

GASB Statement No. 103, *Financial Reporting Model Improvements*. The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

a government's accountability. This Statement also addresses certain application issues. This standard is effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. The effect of implementation on the District's financial statements has not yet been determined.

GASB Statement No. 104, *Disclosure of Certain Capital Assets*. The objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets. This standard is effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. The effect of implementation on the District's financial statements has not yet been determined.

GASB Statement No. 105, *Subsequent Events*. The objective of this Statement is to improve the financial reporting requirements for subsequent events, thereby enhancing consistency in their application and better meeting the information needs of financial statement users. This standard is effective for fiscal years beginning after June 15, 2026, and all reporting periods thereafter. The effect of implementation on the District's financial statements has not yet been determined.

NOTE 2 – DEPOSITS AND INVESTMENTS

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

Bank Deposits:
State law requires that deposits of all political subdivisions be fully collateralized at all times. Acceptable collateralization includes the FDIC insurance and the market value of securities purchased and pledged to the political subdivision. Obligations of the United States, the State of Louisiana, and certain political subdivisions are allowed as security for deposits. Obligations furnished as security must be held by the political subdivision or with an unaffiliated bank or trust company for the account of the political subdivision.

As of December 31, 2025, the District has deposits as follows:

	Bank Balance	Reported Balance
Cash and cash equivalents	$ 222,282	$ 221,502

NOTE 2 – DEPOSITS AND INVESTMENTS (Cont.)

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District has a policy for custodial credit risk. As of December 31, 2025, none of the District's bank balance of $222,282 was exposed to credit risk as the balance was covered by FDIC insurance.

Investments:
State statutes authorize the District to invest in obligations of the U.S. Treasury, agencies and instrumentalities; guaranteed investment contracts and investment grade (A-1/P-1) commercial paper of domestic corporations; repurchase agreements; and the Louisiana Asset Management Pool (LAMP).

As a means of limiting its exposure to fair value losses arising from interest rates, the District's investment policy limits investments to securities with less than six months from the date of purchase unless the investment is matched to a specific cash flow.

Credit risk is defined as the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The District's investment policy requires the application of the prudent-person rule. The policy states, *investments shall be made with the judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived. Primary emphasis shall be placed upon the safety of such funds in an effort to minimize risk while earning maximum returns.* The District's investment policy limits investments to those discussed earlier in this note.

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Investments in external investment pools are not exposed to custodial credit risk because of their natural diversification and the diversification required by Securities and Exchange Commission.

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

NOTE 2 – DEPOSITS AND INVESTMENTS (Cont.)

a safe environment for the placement of public funds in short-term, high-quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LA - R.S. 33:2955.

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

LAMP is an investment pool that, to the extent practical, invests in a manner consistent with GASB Statement No. 79. The following facts are relevant for investment pools:

- Credit risk: LAMP is rated AAAm by Standard & Poor's.
- Custodial credit risk: LAMP participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.
- Concentration of credit risk: Pooled investments are excluded from the 5 percent disclosure requirement.
- Interest rate risk: LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP prepares its own interest rate risk disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days or 762 days for U.S. Government floating/variable rate investments. The WAM for LAMP's total investments is 73 days as of December 31, 2025.
- Foreign currency risk: Not applicable.

The investments in LAMP are stated at fair value. The fair value is determined on a weekly basis by LAMP, and the value of the position in the external investment pool is the same as the net asset value of the pool shares. Investment in LAMP as of December 31, 2025 amounted to $249,762 and is classified on the Statement of Net Position as "Investments".

LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company.

NOTE 3 – DUE FROM OTHER GOVERNMENTAL UNITS

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

Terrebonne Parish Sheriff's Office (Tax Collector) - December 2025 collections remitted to the District in January 2026:	
Ad valorem taxes	$ 1,541,081
State revenue sharing	6,559
State of Louisiana:	
State revenue sharing	13,118
	$ 1,560,758

NOTE 4 – CAPITAL ASSETS

Capital assets are valued at historical cost. Depreciation of all capital assets is calculated over the estimated useful lives using the straight-line method. Capital asset activity for the year ended December 31, 2025 was as follows:

Governmental Activities	January 1, 2025	Additions	Deletions/ Reclassifications	December 31, 2025
Capital assets not being depreciated:				
Land	$ 169,500	$ 38,444	$ -	$ 207,944
Capital assets being depreciated:				
Buildings	1,785,598	130,120	-	1,915,718
Vehicles	1,733,593	-	(80,955)	1,652,638
Machinery and equipment	638,612	64,134	(50,621)	652,125
Office furniture and equipment	24,226	1,905	-	26,131
Total capital assets being depreciated	4,182,029	196,159	(131,576)	4,246,612
Less accumulated depreciation for:				
Buildings	(861,496)	(64,277)	-	(925,773)
Vehicles	(1,326,075)	(58,286)	79,178	(1,305,183)
Machinery and equipment	(314,543)	(81,235)	31,566	(364,212)
Office furniture and equipment	(11,957)	(3,222)	-	(15,179)
Total accumulated depreciation	(2,514,071)	(207,020)	110,744	(2,610,347)
Total capital assets being depreciated, net	1,667,958	(10,861)	(20,832)	1,636,265
Total capital assets, net of depreciation	$ 1,837,458	$ 27,583	$ (20,832)	$ 1,844,209

NOTE 5 – FINANCING LEASE ASSET AND LIABILITY

On September 8, 2023, the District acquired a fire truck through a financing lease agreement for $581,328. The lease requires ten annual payments of $77,534, has an interest rate of 5.61%, and expires on September 14, 2033. As of December 31, 2025, the value of the lease asset is $465,062, and the value of the lease liability is $488,972.

The lease agreement does not contain variable payments, residual value guarantees, or termination penalties.

Future minimum lease payments required under this financing lease as of December 31, 2025 is as follows:

Year Ended December 31,	
2026	$ 50,100
2027	52,910
2028	55,878
2029	59,013
2030	62,324
2031-2033	208,747
	$488,972

NOTE 6 – GOVERNMENTAL GRANTS

During the year ended December 31, 2025, the District received grant funding from the Federal Emergency Management Agency of $258,771 for Hurricane Ida and $20,927 for Hurricane Francine. These grants are part of the Disaster Grants Program – Public Assistance (Presidentially Declared Disasters). The District also received $100,550 in state aid during the year, related to the construction of a tower.

NOTE 7 – AD VALOREM TAXES

Ad valorem taxes are levied each November 1 on the assessed value listed as of the prior January 1 for all real property, merchandise, and movable property located in the Parish. Assessed values are established by the Terrebonne Parish Assessor's Office and the State Tax Commission at percentages of actual value as specified by Louisiana law. Taxes are due and payable December 31, with interest being charged on payments after January 1.

NOTE 7 – AD VALOREM TAXES (Cont.)

Any unpaid taxes are collected in connection with an auction held in June.

The voters of the District approved the current millage rate for fire protection. The District levied 25.69 mills for 2025. These taxes and related state revenue sharing were budgeted for the year ended December 31, 2026 and were included as deferred inflows of resources on the Statement of Net Position as of December 31, 2025. The tax is collected by the Parish Sheriff's Office and remitted to the District.

NOTE 8 – ON-BEHALF PAYMENTS FOR SALARIES

Supplemental salary payments are made by the state to certain eligible full-time employees of the District, in addition to the compensation they receive from the District. The amount of the supplemental pay is determined by state law and is revised periodically. For 2025, the state paid supplemental salaries for the employees of the District in the amount of $50,678. These intergovernmental funds are reflected in the financial statements of the District for the year ended December 31, 2025.

NOTE 9 – OTHER POST-EMPLOYMENT BENEFITS (OPEB)

Plan Description – Terrebonne Parish Fire District No. 4-A's medical benefits are provided through a single employer defined benefit healthcare plan and are made available to eligible employees, retirees, and their dependents as approved by the Terrebonne Parish Council and adopted by the District. The District funds the entire premium for medical and dental insurance on all employees.

Retirement Eligibility Provisions – For employees hired prior to January 1, 2013, to be eligible to continue coverage, retired employees must have at least ten years of service with the Parish and be eligible for retirement under one of the Parish-sponsored state retirement programs. For all employees hired on or after January 1, 2013, a retiring employee must have thirty years of service and reached age 55. Employees who, at the time of retirement, have not participated in the group insurance program for a minimum of five continuous years immediately prior to retirement shall not be eligible for retirement group insurance coverage. Additionally, retirees who chose not to participate in the group insurance coverage at the time of their retirement will not be allowed to join the group health insurance program at a later date. Effective January 1, 2015, all employees hired prior to January 1, 2013 shall be eligible to continue participation in group medical insurance coverage under the following vesting schedule: 1 to 15 years of service, 2.75% per year; 16 to 20 years of service, 3.75% per year; and 21 to 30 years of service, 4% per year. For example, the District will pay 80% of the premiums for group insurance coverage for an eligible employee who retires after 25 years of

NOTE 9 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) (Cont.)

creditable service. The District will pay up to 80% of the group insurance premium or the maximum percentage of premium paid for active employees; whichever is lesser. Effective January 1, 2019, a fully insured Medicare Advantage plan for Medicare-eligible retirees is also offered.

Method of Determining Value of Benefits – The District maintains the following plans covering eligible retired employees, spouses, and their dependents. First, a self-insured health plan for retirees with two benefit options; standard plan covers medical and prescription drug benefits or premium plan with the same benefits as the standard plan, but with lower member cost-sharing. Second, a self-insured dental plan. Third, retirees can continue their fully insured life benefits. The death benefit for retirees is equal to $10,000 until age 70 and $5,000 thereafter. Retirees with family medical and dental coverage, the spousal death benefit is $2,500 and the child death benefit is $1,000.

Medicare Advantage Plan – Effective January 1, 2019, retirees age 65 and over have the option of enrolling in a Medicare Advantage plan. Approximately 80% of eligible retirees participate in this plan.

Employee Turnover Rates are based on the pension retirement system valuations, adjusted by a factor of 1.75 to be consistent with recent Parish experience.

Fund Policy – The District recognizes the cost of providing post employment benefits (the District's portion of the retiree insurance benefit premiums) as an expense when the benefit premiums are due and thus finances the cost of the post-employment benefits on a pay-as-you-go basis. In 2025, the District had no retired or inactive employees receiving benefits.

The following changes were made to assumptions since the last GASB 75 valuation:

1. Discount Rate: The discount rate was decreased from 4.28% to 4.43%. See the next section for more details. This change resulted in an increase in the Total OPEB Liability.

2. Retiree Contributions, Medicare Advantage Premiums, and Expenses: Retiree contributions, Medicare Advantage premiums, administrative expenses, and stop-loss premiums were updated to reflect the 2025 rates. These changes resulted in a decrease in the total other post-employment benefit liability.

The total OPEB liability was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified.

NOTE 9 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) (Cont.)

Measurement Date:	December 31, 2025
Actuarial Valuation Date:	January 1, 2024
Inflation:	2.50%
Salary Increase, including Inflation:	3.00%
Discount Rate:	4.43%
Prior Year Discount Rate:	4.28%

Healthcare Cost Trend Rate – The expected rate of increase in medical cost is based on a graded schedule beginning with 6% annually, down to an ultimate annual rate of 4.5% after seven or more years. The expected rate of increase in dental cost begins with 3.5% annually, reduced to an ultimate rate of 2.5% after five or more years.

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

There are eleven employees active in the plan. There are no inactive employees entitled to but not yet receiving benefit payments.

Changes in total OPEB liability are as follows:

Balance as of December 31, 2024	$ 288,150
Changes for the year:	
Service cost	4,694
Interest	14,814
Differences between expected and actual experience	1,059
Changes in assumptions or other inputs	(5,254)
Change in proportion	31,640
Other	(15,849)
Net changes	31,104
Balance as of December 31, 2025	$ 319,254

NOTE 9 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) (Cont.)

OPEB Benefit and Deferred Outflows and Deferred Inflows of Recourses Related to OPEB are as follows:

OPEB Benefit	
Service cost	$ 4,694
Interest on liabilities	14,814
Difference between actual and expected experience	1,059
Changes in assumptions/inputs	(5,254)
Change in proportion	31,640
Other	(15,849)
Total OPEB Benefit	$ 31,104

Deferred Outflows and Inflows	Outflows	Inflows
Differences between actual and expected experience	$ 20,439	$ -
Changes of assumptions or other inputs	7,828	32,363
Other adjustment	-	71,519
Change in proportionate share	383,430	56,331
Total Deferred Outflows and Inflows	$ 411,697	$ 160,213

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

Year Ended December 31,	
2026	$ (83,389)
2027	2,341
2028	(2,017)
2029	5,906
2030	328,643
	$ 251,484

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

NOTE 9 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) (Cont.)

	1.00% Decrease (3.43%)	Current Discount Rate (4.43%)	1.00% Increase (5.43%)
Total OPEB Liability	$ 370,836	$ 319,254	$ 277,949

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

	1.00% Decrease	Current Healthcare Cost Trend Rates	1.00% Increase
Total OPEB Liability	$ 271,411	$ 319,254	$ 380,795

NOTE 10 – PENSION 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 death benefits to firefighters in Louisiana.

Eligibility Requirements: Membership in the System is a condition of employment for any full-time firefighters who earn at least $375 per month and are employed by any municipality, parish, or fire protection district of the State of Louisiana in addition to employees of the Firefighters' Retirement System. 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. No person who has attained age fifty or over shall become a member of the System unless the person becomes a member by reason of a merger or unless the System received an application for membership before the applicant attained the age of fifty. No person who has not attained the age of eighteen years shall become a member of the System.

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

NOTE 10 – PENSION PLAN (Cont.)

Retirement Benefits: Benefit provisions are authorized within Act 434 of 1979 and amended by LRS 11:2251-11:2272. Members of the System with 20 or more years of service who have attained age 50, or members who have 12 years of service who have attained age 55, or 25 years of service at any age shall be entitled to retire from service.

Upon such retirement, the member shall be paid an annual retirement allowance equal to three and one-third percent of average final compensation multiplied by total years of creditable service. However, the annual retirement allowance shall not exceed one hundred percent of average final compensation.

Deferred Retirement Option Plan (DROP): After completing 20 years of creditable service and age 50 or 25 years at any age, a member may elect to participate in the deferred retirement option plan (DROP) for up to 36 months. Upon commencement of participation in the deferred retirement option plan, employer and employee contributions to the System cease. The monthly retirement benefit that would have been payable is paid into the deferred retirement option plan account. Upon termination of employment, a participant in the program shall receive, at his option, a lump-sum payment from the account or an annuity based on the deferred retirement option plan account balance 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 payments may be made from the deferred retirement option plan account until the participant retires.

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

Employer Contributions: Employer contributions are actuarially-determined each year. For the year ended June 30, 2025, employer and employee contribution rates for members above the poverty line were 33.25% and 10.0%, respectively. The employer and employee contribution rates for those members below the poverty line were 35.25% and 8.00%, respectively.

Non-Employer Contribution: The System also receives insurance premium tax monies as additional employer contributions. The tax is considered support from a non-employer contributing entity and appropriated by the legislature each year based on an actuarial study.

Non-employer contributions were recognized as revenue during the year ended June 30, 2025 and were excluded from pension expense. Non-employer contributions received by the System during the year ended June 30, 2025 was $34,828,941.

NOTE 10 – PENSION PLAN (Cont.)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources: As of December 31, 2025, the District reported liabilities in its government-wide financial statements of $924,393 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 an actuarial valuation performed of the retirement system as of that date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially-determined. As of June 30, 2025, the District's proportionate share of the System was 0.219462%, which was a decrease of 0.025744% from its proportion measured as of June 30, 2024.

For the year ended December 31, 2025, the District recognized a pension expense of $121,788 in its governmental activities related to its participation in the System.

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

	Governmental Activities	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 118,376	$ 16,678
Changes in assumptions	42,145	-
Net difference between projected and actual investment earnings on pension plan investments	-	172,741
Changes in proportion	62,146	151,190
Employer contributions subsequent to the measurement date	107,276	-
	$ 329,943	$ 340,609

Deferred outflows of resources of $107,276 related to pensions resulting from the District's contributions to the System subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

NOTE 10 – PENSION PLAN (Cont.)

Year Ended December 31,	
2026	$ 92,181
2027	(86,865)
2028	(70,620)
2029	(41,243)
2030	(2,612)
2031	(8,783)
	$ (117,942)

Actuarial Assumptions: A summary of the actuarial methods and assumptions used in determining the total pension liability as of December 31, 2025 is as follows:

	Firefighter's 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 (Discount rate)	6.90% per annum (net of investment expenses)
Inflation rate	2.50% per annum
Salary increases	14.50% in the first two years of service and 5.00% with three or more years of service
Cost of living adjustments	Only those previously granted

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

- For active members, mortality was set equal to the Pub-2016 Public Retirement Plans Mortality Table for Safety Below-Median Employees.
- For annuitants and beneficiaries, mortality was set equal to the Pub-2016 Public Retirement Plans Mortality Table for Safety Below-Median Healthy Retirees.
- For disabled retirees, mortality was set equal to the Pub-2016 Public Retirement Plans Mortality Table for Safety Disabled Retirees.
- In all cases, the base table was multiplied by 110% for males and 110% for females, each with full generational projection using the appropriate MP-2021 scale.

NOTE 10 – PENSION PLAN (Cont.)

The discount rate used to measure the total pension liability was 6.90%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from participating employers and non-employer contributing entities will be made at the actuarially-determined rates approved by PRSAC 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 represents the net pension liability of the District calculated using the discount rate of 6.90%, as well as what the employer's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.90%) or one percentage point higher (7.90%) than the current rate as of June 30, 2025.

	Changes in Discount Rate: Firefighter's Retirement System		
	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
Net Pension Liability	$ 1,783,632	$ 924,393	$ 208,133

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 December 31, 2025, the District recognized revenue as a result of support received from the non-employer contributing entities of $76,436 for its participation in the System.

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 11 – COMPENSATION OF COMMISSIONERS

As provided by Louisiana Revised Statute 2:603, the Commissioners have elected to use the monthly meeting method of compensation. Under this method, the chairman and other board members receive a $30 payment for each meeting attended with a limit of 12 paid meetings per year. The compensation is included in personal services expense on the statement of revenues, expenses, and changes in net position.

NOTE 11 – COMPENSATION OF COMMISSIONERS (Cont.)

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

Kirby Verret	$ 240
Roland Aucoin	210
Marty Theriot	180
Pamela Carlos	150
Louis Pitre	-
Total	$ 780

NOTE 12 – RISK MANAGEMENT

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

Coverage for workers' compensation claims excess of the statutory limits is funded by an insurance contract for claims up to aggregate limits. Workers' compensation claims in excess of the aggregate limits are funded first by the assets of the Parish's Workers' Compensation Internal Service Fund then secondly by the District. As of December 31, 2025, the District had no claims in excess of the above coverage limits. Expenditures for premiums to the Parish for insurance coverage during the year ended December 31, 2025 totaled $122,831.

NOTE 13 – SUBSEQUENT EVENTS

Subsequent events were evaluated by management through May 15, 2026, which is the date the financial statements were available to be issued, and it was determined that no events occurred that require disclosure. No events occurring after this date have been evaluated for inclusion in these financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

Terrebonne Parish Fire District No. 4-A
Terrebonne Parish Consolidated Government

Budgetary Comparison Schedule – General Fund
Year Ended December 31, 2025

	Budgeted Amounts		Actual	Variance with Final Budget Favorable/
	Original	Final	Amounts	(Unfavorable)
REVENUES				
Ad valorem tax	$ 1,400,000	$ 1,700,000	$ 1,581,271	$ (118,729)
FEMA Fire Act Grant	300,000	258,770	279,698	20,928
State Rural Development Grant	-	50,550	100,550	50,000
Interest and dividends	70,000	30,000	60,240	30,240
State supplemental pay	50,400	50,400	50,678	278
Fire insurance 2% rebate	-	41,486	41,486	-
Other income	10,000	116,000	15,628	(100,372)
State revenue sharing	-	-	9,094	9,094
TOTAL REVENUES	1,830,400	2,247,206	2,138,645	(108,561)
EXPENDITURES				
Public safety				
Personnel services	1,258,867	1,173,167	1,131,284	41,883
Other services and charges	120,150	303,450	263,853	39,597
Repairs and maintenance	92,250	139,550	159,997	(20,447)
Supplies and maintenance	56,650	52,100	51,841	259
Professional fees	-	-	30,028	(30,028)
Capital outlay	15,000	249,500	234,603	14,897
Debt service	-	-	77,531	(77,531)
TOTAL EXPENDITURES	1,542,917	1,917,767	1,949,137	(31,370)
Net change in fund balance	287,483	329,439	189,508	(139,931)
FUND BALANCE				
Beginning of year	(87,739)	(87,739)	(87,739)	-
End of year	$ 199,744	$ 241,700	$ 101,769	$ (139,931)

See Independent Auditor's Report and Notes to Financial Statements.

Terrebonne Parish Fire District No. 4-A
Terrebonne Parish Consolidated Government

Schedule of Changes in Total Other Post-Employment Benefit Liability
Year Ended December 31, 2025

	2025	2024	2023	2022	2021	2020
Total OPEB Liability						
Service cost	$ 4,694	$ 4,949	$ 4,689	$ 9,341	$ 9,040	$ 9,800
Interest	14,814	11,605	12,408	7,404	7,826	11,295
Differences between expected and actual experience	1,059	23,930	2,181	29,636	(1,278)	(49,462)
Changes in assumptions or other inputs	(5,254)	14,254	(2,868)	(142,211)	4,429	(35,581)
Change in proportion	31,640	16,125	16,125	1,279	54,857	404,996
Other	(15,849)	(94,044)	(14,002)	(10,586)	(10,310)	(7,675)
Net Change in Total OPEB Liability	31,104	(23,181)	18,532	(105,137)	64,564	333,372
Total OPEB Liability - beginning	288,150	311,331	292,799	397,936	333,372	-
Total OPEB Liability - end	$ 319,254	$ 288,150	$ 311,331	$ 292,799	$ 397,936	$ 333,372
Covered Employee Payroll	$ 556,079	$ 509,775	$ 459,156	$ 440,920	$ 440,920	$ 518,530
Total OPEB liability as a percentage of covered employee payroll	57.41%	56.52%	67.81%	66.41%	90.25%	64.29%

Notes to Schedule:

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

Changes of Benefit Terms: Effective January 1, 2019, a Medicare Advantage plan was introduced as an option for eligible retirees.

Changes of Assumptions: Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period.

The following are discount rates used in each period:

2020	2.00%
2021	1.84%
2022	4.05%
2023	3.77%
2024	4.28%
2025	4.43%

No assets are accumulated in a trust that meet the criteria in GASB Statement No. 75, paragraph 4.

See Independent Auditor's Report and Notes to Financial Statements.

Terrebonne Parish Fire District No. 4-A
Terrebonne Parish Consolidated Government

Schedule of Employer's Share of Net Pension Liability
Year Ended December 31, 2025

Year	Employer's Proportion of the Net Pension Liability (Asset)	Employer's Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered Employee Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2025	0.219462%	$ 924,393	$ 671,644	137.63%	86.96%
2024	0.245206%	1,380,653	697,494	197.94%	81.68%
2023	0.249437%	1,628,027	685,947	237.34%	77.69%
2022	0.238552%	1,682,100	609,876	275.81%	74.68%
2021	0.225060%	797,579	632,833	126.03%	86.78%
2020	0.235216%	1,630,411	662,427	246.13%	72.61%
2019	0.243447%	1,524,443	574,555	265.33%	73.96%
2018	0.253389%	1,457,513	585,914	248.76%	74.76%
2017	0.231931%	1,329,393	562,185	236.47%	73.55%
2016	0.220924%	1,445,043	498,066	290.13%	68.16%

See Independent Auditor's Report and Notes to Financial Statements.

Terrebonne Parish Fire District No. 4-A
Terrebonne Parish Consolidated Government

Schedule of Employer Contributions
Year Ended December 31, 2025

Year	Statutorily Required Contributions	Contributions in Relation to Statutorily Required Contributions	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a Percentage of Covered Payroll
2025	$ 223,322	$ 223,322	-	$ 671,644	33.25%
2024	231,917	231,917	-	697,494	33.25%
2023	231,507	231,507	-	685,947	33.75%
2022	205,833	204,187	-	609,876	33.75%
2021	204,089	209,070	-	632,833	32.25%
2020	183,823	200,344	-	662,427	27.75%
2019	152,257	155,896	-	574,555	26.50%
2018	155,267	155,267	-	585,914	26.50%
2017	141,952	145,759	-	562,185	25.25%
2016	135,723	135,723	-	498,066	27.25%

See Independent Auditor's Report and Notes to Financial Statements.

SUPPLEMENTARY INFORMATION

Terrebonne Parish Fire District No. 4-A
Terrebonne Parish Consolidated Government

Schedule of Compensation, Benefits, and Other Payments
to District Head
Year Ended December 31, 2025

Agency Head Name: Shawn Bumm, Fire Chief

Purpose	Amount
Salary	$ 104,162
Benefits - retirement	33,563
Benefits - insurance	17,298
Travel	848
Registration fees	-
Benefits - cell phone	-
Car allowance/automobile expense	-
Cell phone	-
Conference travel	-
Membership fees	-
Deferred compensation	-
Reimbursements	-
Per diem	-
Service fees	-
Vehicle provided by government	-
Continuing professional education fees	-
Housing	-
Unvouchered expenses	-
Special meals	-

This schedule is used to satisfy the reporting requirements of R.S. 24:513(A)(3).

See Independent Auditor's Report.

REPORT REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

Martin and Pellegrin

Certified Public Accountants
(A Professional Corporation)

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

To the Board of Commissioners
Terrebonne Parish Fire District No. 4-A
Terrebonne Parish Consolidated Government
Houma, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the major fund of the Terrebonne Parish Fire District No. 4-A (the District), a component unit of the Terrebonne Parish Consolidated Government, as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated May 15, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our 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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

Purpose of this Report

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

Martin and Pellegrin

Houma, Louisiana
May 15, 2026

Schedule of Findings and Responses
Year Ended December 31, 2025

Section I – Summary of Auditor's Results

1. The auditor's report expresses an unmodified opinion on the financial statements of the Terrebonne Parish Fire District No. 4-A.

2. No deficiencies in internal control over financial reporting were noted during the audit of the financial statements.

3. No instances of noncompliance or other matters required to be reported in accordance with *Government Auditing Standards* were noted during the audit.

4. A management letter was not issued.

Section II – Financial Statement Findings

No findings related to the Terrebonne Parish Fire District No. 4-A's financial statements which would be required to be reported in accordance with *Government Auditing Standards* were noted during the audit.

Section III – Internal Control Findings

No findings related to the Terrebonne Parish Fire District No. 4-A's internal control, which would be required to be reported in accordance with *Government Auditing Standards*, were noted during the audit.

Section IV – Federal Award Findings and Questioned Costs

This section is not applicable.

Terrebonne Parish Fire District No. 4-A
Terrebonne Parish Consolidated Government

Management's Corrective Action Plan for Current Year Findings
Year Ended December 31, 2025

The contact person for all corrective actions noted below is Mr. Shawn Bumm, Fire Chief.

Section I – Internal Control and Compliance

This section is not applicable.

Section II – Internal Control and Compliance Material to Federal Awards

This section is not applicable.

Section III – Management Letter

This section is not applicable.

Terrebonne Parish Fire District No. 4-A
Terrebonne Parish Consolidated Government

Schedule of Prior Findings and Responses
Year Ended December 31, 2025

Note: All prior findings relate to the December 31, 2024 audit engagement.

Section I – Internal Control and Compliance Material to the Financial Statements

This section is not applicable.

Section II – Internal Control and Compliance Material to Federal Awards

This section is not applicable.

Section III – Management Letter

This section is not applicable.

STATEWIDE AGREED-UPON PROCEDURES

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Board of Commissioners
Terrebonne Parish Fire District No. 4-A
Houma, Louisiana

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2025 through December 31, 2025. The Terrebonne Parish Fire District No. 4-A's management is responsible for those C/C areas identified in the SAUPs.

The Terrebonne Parish Fire District No. 4-A has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period January 1, 2025 through December 31, 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 described on pages 48-67.

We were engaged by the Terrebonne Parish Fire District No. 4-A 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 Terrebonne Parish Fire District No. 4-A and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

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

Martin and Pellegrin

Houma, Louisiana
May 15, 2026

Terrebonne Parish Fire District No. 4-A
Schedule of Procedures and Associated Findings of the
Statewide Agreed-Upon Procedures
Year Ended December 31, 2025

The required procedures and our findings are as follows:

Procedures performed on the District's written policies and procedures:

Written Policies and Procedures

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

   a) Budgeting, including preparing, adopting, monitoring, and amending the budget.

      Performance: Obtained and read the written policy for budgeting and found it to contain the requirements included above.
      Exceptions: There were no exceptions noted.
      Management's response: Not applicable.

   b) Purchasing, including (1) how purchases are initiated, (2) how vendors are added to the vendor list, (3) the preparation and approval process of purchase requisitions and purchase orders, (4) controls to ensure compliance with the Public Bid Law, and (5) documentation required to be maintained for all bids and price quotes.

      Performance: Obtained and read the written policy for purchasing and found it to contain all requirements above except for the requirement noted below.
      Exceptions: The policy does not include purchase requisitions or purchase orders.
      Management's response: Management will consider adding purchase requisitions or purchase orders to the purchasing policy.

   c) Disbursements, including processing, reviewing, and approving.

      Performance: Obtained and read the written policy for disbursements and found it to contain the requirements included above.
      Exceptions: There were no exceptions noted.
      Management's response: Not applicable.

   d) Receipts/Collections, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions.

      Performance: Obtained and read the written policy for receipts/collections and found it to contain the requirements listed above.
      Exceptions: There were no exceptions noted.
      Management's response: Not applicable.

e) Payroll/Personnel, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee rates of pay or approval and maintenance of pay rate schedules.

Performance: Obtained and read the written policy for payroll and personnel and found it to contain the requirements listed above.
Exceptions: There were no exceptions noted.
Management's response: Not applicable.

f) Contracting, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.

Performance: Obtained and read the written policy related to contracting and found it to contain the requirements listed above except for the requirements noted below.
Exceptions: The policy does not include the types of services requiring written contracts and legal review.
Management's response: Management will consider adding the types of services requiring written contract and legal review to its policy.

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

Performance: Obtained and read the travel and expense reimbursement policy and found it contained all requirements listed above except for the requirement listed below.
Exceptions: Dollar thresholds by category of expense are not disclosed.
Management's response: Management will consider adding dollar thresholds to the written policy.

h) 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.

Performance: Obtained and read the written policy related to credit cards and found it to contain the requirements listed above.
Exceptions: There were no exceptions noted.
Management's response: Not applicable.

i) Ethics, including (1) the prohibitions as defined in Louisiana Revised Statute 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.

Performance: Obtained and read the written policy related to ethics and found it to contain the requirements listed above.
Exceptions: There were no exceptions noted.
Management's response: Not applicable.

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

Performance: Obtained and read the written policy related to debt service and found it to contain the requirements listed above.
Exceptions: There were no exceptions noted.
Management's response: Not applicable.

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

Performance: Obtained and read the written policy related to information technology disaster recovery/business continuity and found it to contain the requirements listed above except for the requirements listed below.
Exceptions: The policy lacks provisions for identification of critical data and frequency of data backups; periodic testing/verification that backups can be restored; timely application of all available system and software patches/updates; and identification of personnel, processes, and tools needed to recover operations after a critical event.
Management's response: Management will consider adding these requirements to the written policy.

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

Performance: Obtained and read the written policy related to sexual harassment and found it to contain the requirements listed above except for the requirements listed below.
Exceptions: The policy does not mention annual employee training and annual reporting.
Management's response: Management will consider adding annual employee training and annual reporting to its policy.

Board or Finance Committee

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

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

      Performance: Determined that the board met with a quorum at least every other month or six out of twelve months, the frequency in accordance with the board's enabling legislation, charter, or other equivalent document.
      Exceptions: There were no exceptions noted.
      Management's response: Not applicable.

   b) 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 and semi-annual budget-to-actual comparisons, at a minimum, on all special revenue funds.

      Performance: Determined that the six regularly scheduled board meetings in 2025 referenced or included monthly budget-to-actual comparisons.
      Exceptions: There were no exceptions noted.
      Management's response: Not applicable.

   c) Obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

      Performance: Observed 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 from the prior year audit.

Exceptions: The minutes did not reference or include a formal plan to eliminate the negative unassigned fund balance in the general fund.
Management's response: If this situation arises again in the future, management will discuss a plan to eliminate the negative unassigned fund balance at its board meetings.

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

Performance: Determined that the District had no outstanding audit findings.
Exceptions: There were no exceptions noted.
Management's response: Not applicable.

Bank Reconciliations

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

Performance: Obtained the listing of bank accounts from management and received management's representation in a separate letter. Determined that there is one bank account.
Exceptions: There were no exceptions noted.
Management's response: Not applicable.

a) Bank reconciliations include evidence that they were prepared within two months of the related statement closing date;

Performance: Determined that randomly selected bank statements were reconciled within two months of the related statement closing date.
Exceptions: There were no exceptions noted.
Management's response: Not applicable.

b) 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 one month of the date the reconciliation was prepared;

Performance: Inspected documentation for management approvals within one month of the reconciliation date of each randomly selected bank reconciliation.

Exceptions: There was no evidence that the reconciliation was reviewed.
Management's response: Either a member of management or a board member will timely review the reconciliations and sign and date them.

c) Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date.

Performance: Determined whether there were any items outstanding for more than 12 months as of the end of the statement closing date that had been selected that had not been researched.
Exceptions: There were 45 reconciling items that were outstanding for longer than 12 months from the statement closing date that had not been investigated.
Management's response: Management will monitor the length of time that outstanding reconciling items have not cleared the bank and take action regarding those items going forward.

Collections (excluding electronic funds transfers)

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

Performance: Observed the listing of deposit sites from management and received management's representation in a separate letter.
Exceptions: There were no exceptions noted.
Management's response: Not applicable.

5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site, obtain and inspect written policies and procedures relating to employee job duties at each collection location, and observe that job duties are properly segregated at each collection location such that:

Performance: Observed the listing of collection locations from management and received management's representation in a separate letter.
Exceptions: There were no exceptions noted.
Management's response: Not applicable.

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

Performance: Inspected policy manuals and inquired of client as to the sharing of cash drawers.
Exceptions: There were no exceptions noted.

Management's response: Not applicable.

b) 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 to the deposit.

Performance: Inspected policy manual and inquired of client to ensure separation of duties for those employees collecting cash and those employees preparing/making bank deposits.
Exceptions: There were no exceptions noted.
Management's response: Not applicable.

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

Performance: Inspected policy manual and inquired of client to ensure separation of duties for those employees collecting cash and those employees posting collection entries to the general ledger or subsidiary ledgers.
Exceptions: There were no exceptions noted.
Management's response: Not applicable.

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

Performance: Inspected policy manual and inquired of client to ensure separation of duties for those employees collecting cash and those employees reconciling cash collections to the general ledger and/or subsidiary ledgers.
Exceptions: There were no exceptions noted.
Management's response: Not applicable.

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

Performance: Determined whether employees who have access to cash are covered by a bond or insurance policy for theft.
Exceptions: There were no exceptions noted.
Management's response: Not applicable.

7. Randomly select two deposit dates for the bank account selected for procedure #3 under "Bank Reconciliations" above. Obtain supporting documentation for each of the deposits and:

a) Observe that receipts are sequentially pre-numbered.

Performance: Determined that sequentially pre-numbered receipts are not required for all deposits that are received at the District. Sequentially pre-numbered receipts are generally for cash deposits. There were no cash deposits in the random selection.
Exceptions: There were no exceptions noted.
Management's response: Not applicable.

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

Performance: Inspected deposits from two random deposit dates to determine if they had collection documentation that agreed to the respective deposit slips. Noted that pre-numbered receipts were not applicable to the randomly selected documents; however, collections were supported by adequate documentation.
Exceptions: There were no exceptions noted.
Management's response: Not applicable.

c) Trace the deposit slip total to the actual deposit per the bank statement.

Performance: Inspected deposits from two random deposit dates to determine if the deposit slips agreed to the actual deposits per the bank statements.
Exceptions: There were no exceptions noted.
Management's response: Not applicable.

d) Observe that the deposit was made within one week of receipt at the collection location.

Performance: Determined that deposits from the two random dates should be deposited within one week of receipt since the depository is more than 10 miles from the collection location.
Exceptions: Based on check dates, it appeared that one deposit was not made within one week of receipt at the collection location.
Management's response: Management will ensure that deposits are made in a timely manner.

e) Trace the actual deposit per the bank statement to the general ledger.

Performance: Inspected deposits from two random deposit dates to determine if the deposits per the bank statements agree to the general ledger.
Exceptions: There were no exceptions noted.
Management's response: Not applicable.

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

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

    Performance: Obtained a listing of locations that processed payments for the fiscal period from management and received management's representation in a separate letter.
    Exceptions: There were no exceptions noted.
    Management's response: Not applicable.

9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties and observe that job duties are properly segregated such that:

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

        Performance: Obtained a listing of those employees involved with non-payroll purchasing and payment functions along with written policies and procedures for those functions to determine if there was a proper segregation of duties for initiating, approving, and making purchases.
        Exceptions: There were no exceptions noted.
        Management's response: Not applicable.

    b) At least two employees are involved in processing and approving payments to vendors.

        Performance: Obtained a listing of those employees involved with non-payroll purchasing and payment functions along with written policies and procedures for those functions to determine if there was a proper segregation of duties for processing and approving payments to vendors.
        Exceptions: There were no exceptions noted.
        Management's response: Not applicable.

    c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.

        Performance: Inspected policy manual and inquired of management as to separation of duties related to vendor files.

Exceptions: There were no exceptions noted.
Management's response: Not applicable.

d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

Performance: Inquired of management to determine if the employee responsible for processing payments mails those respective payments.
Exceptions: The employee who processes payments sometimes mails those payments.
Management's response: These duties will be separated when the benefit of doing so exceeds the cost.

e) Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.

Performance: Inquired of management to determine whether the release of electronic disbursements are appropriately authorized.
Exceptions: There were no exceptions noted.
Management's response: Not applicable.

10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select five disbursements for each location, obtain supporting documentation for each transaction, and:

Performance: Obtained the completed general ledger for the fiscal period and obtained management's representations in a separate letter. Randomly selected five disbursements using a random number generator for check numbers to test the requirements below.
Exceptions: There were no exceptions noted.
Management's response: Not applicable.

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

Performance: Determined that the five random disbursements matched their respective original invoices and that the invoices indicate that deliverables were received by the entity.
Exceptions: There were no exceptions noted.
Management's response: Not applicable.

b) Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

Performance: Determined whether the documentation for the five random disbursements gave evidence of the segregation of duties tested under #9 above.
Exceptions: There were no exceptions noted.
Management's response: Not applicable.

11. Using the entity's main operating account and the month selected in Bank Reconciliations procedures #3, randomly select five non-payroll-related electronic disbursements (or all electronic disbursements if less than five) and observe that each electronic disbursement was (a) approved by only those persons authorized by the required number of 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.

Performance: Determined that the five random disbursements were appropriately approved according to the pre-authorized automatic payment arrangement.
Exceptions: There were no exceptions noted.
Management's response: Not applicable.

Credit Cards/Debit Cards/Fuel Cards/Purchase Cards (Cards)

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

Performance: Observed the listing of all active credit cards, bank debit cards, fuel cards, and purchase cards (cards) from management and received management's representation in a separate letter.
Exceptions: There were no exceptions noted.
Management's response: Not applicable.

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

    a) Observe whether there is evidence that the monthly statement or combined statement and supporting documentation were reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder.

        Performance: Observed written approvals of credit card transactions on monthly statements.
        Exceptions: Statements for two cards were not provided for testing. Only invoices could be located on bill.com.
        Management's response: The District will retain copies of the credit card statements for all cards going forward.

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

        Procedures: Traced selected credit card statements to determine if any finance charges or late fees were applied to balances.
        Exceptions: There were no exceptions noted.
        Management's response: Not applicable.

14. Using the monthly statements or combined statements selected under #13 above, excluding fuel cards, randomly select ten transactions (or all transactions if less than ten) from each statement, and obtain supporting documentation for the transactions. 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.

    Performance: Observed whether randomly selected credit card transactions were supported by the requirements listed above.
    Exceptions: The business purpose was not included on six invoices/receipts. Documentation of meal participants was not included on two receipts.
    Management's response: Credit card transactions will be supported by the requirements listed above going forward.

15. Using the list of terminated employees obtained in Payroll and Personnel procedure #20, identify those individuals who had access to cards and select all terminated employees with card access from this population. Observe evidence that the cards have been deactivated for these terminated employees. In cases where a card is shared by multiple users, obtain evidence that the terminated employees' authorization has been removed.

Performance: Determined that terminated employees did not have access to credit cards.
Exceptions: There were no exceptions noted.
Management's response: Not applicable.

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

16. 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 five reimbursements and obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the five reimbursements selected:

Performance: Obtained a list of all travel and related expense reimbursements. Management's representation of the listing was confirmed in a separate letter.
Exceptions: There were no exceptions noted.
Management's response: Not applicable.

a) 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).

Performance: Traced respective travel expenses to the approved per diem rates by the General Services Administration.
Exceptions: There were no exceptions noted.
Management's response: Not applicable.

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

Performance: Determined that none of the selected travel expenses were reimbursed using actual costs.
Exceptions: There were no exceptions noted.
Management's response: Not applicable.

c) 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 #1g.

Performance: Reviewed documentation of the business/public purpose for each expense.

Exceptions: There were no exceptions noted.
Management's response: Not applicable.

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

Performance: Inspected each expense reimbursement request to find approval by supervisors.
Exceptions: There were no exceptions noted.
Management's response: Not applicable.

Contracts

17. 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. Obtain management's representation that the listing is complete. Randomly select five contracts (or all contracts if less than five) from the listing, excluding the practitioner's contract, and:

Performance: Observed the listing of contracts in effect during the fiscal year from management and received management's representation of completeness in a separate letter.
Exceptions: There were no exceptions noted.
Management's response: Not applicable.

a) Observe whether the contract was bid in accordance with the Louisiana Public Bid Law, if required by law.

Performance: Determined that the District did not have to comply with the Public Bid Law for any of the selected contracts in place.
Exceptions: There were no exceptions noted.
Management's response: Not applicable.

b) Observe whether the contract was approved by the governing body/board, if required by policy or law.

Performance: Determined that the selected contracts were not required to be approved by the governing body.
Exceptions: There were no exceptions noted.
Management's response: Not applicable.

c) If the contract was amended, observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms.

Performance: Determined that the selected contracts were not amended.
Exceptions: There were no exceptions noted.
Management's response: Not applicable.

d) Randomly select one payment from the fiscal period for each of the five contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

Performance: Inspected each randomly selected invoice and compared to its respective written contract information to determine that the invoice and related payment complied with the terms of the contract.
Exceptions: There were no exceptions noted.
Management's response: Not applicable.

Payroll and Personnel

18. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select five employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

Performance: Observed the listing of employees and received management's representation of completeness in a separate letter.
Exceptions: There were no exceptions noted.
Management's response: Not applicable.

19. Randomly select one pay period during the fiscal period. For the five employees or officials selected under #18 above, obtain attendance records and leave documentation for the pay period, and:

a) Observe that all selected employees or officials documented their daily attendance and leave.

Performance: Determined that all selected employees documented their daily attendance and leave for the selected pay period.
Exceptions: There were no exceptions noted.
Management's response: Not applicable.

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

Performance: Determined that the attendance and leave of each employee for the selected pay period was approved by each employee's respective supervisor.
Exceptions: There were no exceptions noted.
Management's response: Not applicable.

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

Performance: Determined that the attendance and leave of each employee for the selected pay period agrees to the District's leave records.
Exceptions: There were no exceptions noted.
Management's response: Not applicable.

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

Performance: Determined that the attendance and leave of each employee for the selected pay period was approved by each employee's respective supervisor.
Exceptions: There were no exceptions noted.
Management's response: Not applicable.

20. 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 employees' or officials' cumulative leave records, agree the pay rates to the employees' or officials' authorized pay rates in the employees' or officials' personnel files, and agree the termination payment to entity policy.

Performance: Obtained management's representation of employees who received termination payments in a separate letter. Randomly tested two of the former employees and their respective payments by calculating hours and pay rates, comparing to cumulative leave records, reviewing personnel files, and reviewing the entity's policy.
Exceptions: There were no exceptions noted.
Management's response: Not applicable.

21. Obtain management's representation that employer and employee portions of third-party payroll-related amounts have been paid, and any associated forms have been filed, by required deadlines.

Performance: Obtained management's representation in a separate letter that employer and employee portions of third-party payroll-related amounts have been paid, and any associated forms have been filed by required deadlines.
Exceptions: There were no exceptions noted.
Management's response: Not applicable.

Ethics

22. Using the five randomly selected employees/officials from procedure #18 under "Payroll and Personnel" above, obtain ethics documentation from management, and:

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

    Performance: Observed the ethics course completion certificates for the employees/officials tested.
    Exceptions: There were no exceptions noted.
    Management's response: Not applicable.

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

    Performance: Determined that there were no changes to the ethics policy during the fiscal period to notify the employees/officials of.
    Exceptions: There were no exceptions noted.
    Management's response: Not applicable.

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

    Performance: Inquired as to whether the agency has appointed an ethics designee as required by R.S. 42:1170.
    Exceptions: There were no exceptions noted.
    Management's response: Not applicable.

Debt Service

24. 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 as required by Article VII, Section 8 of the Louisiana Constitution.

25. 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.

    Performance: Determined that the procedures under #24 and #25 could be excluded as the only debt outstanding by the District is for a municipal financing lease-purchase. This type of debt is not subject to the requirements of this section.

Fraud Notice

26. 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.

    Performance: Inquired of management of any misappropriations of public funds or assets and determined that none were noted.
    Exceptions: There were no exceptions noted.
    Management's response: Not applicable.

27. 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.

    Performance: Inquired and observed such notice posted on the premises and website.
    Exceptions: The District does not have a website.
    Management's response: The District will post the applicable notice to its website if one is ever created.

Information Technology Disaster Recovery/Business Continuity

28. Perform the following procedures and verbally discuss 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.

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 three months.

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 five 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.

29. Randomly select five terminated employees (or all terminated employees if less than five) using the list of terminated employees obtained in Payroll and Personnel procedure #20. Observe evidence that the selected terminated employees have been removed or disabled from the network.

30. Using the five randomly selected employees/officials from Payroll and Personnel procedure #18, 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:

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

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

<u>Prevention of Sexual Harassment</u>

31. Using the five randomly selected employees/officials from Payroll and Personnel procedure #18, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.

Performance: Observed the selected employees/officials' sexual harassment training documentation.
Exceptions: There were no exceptions noted.
Management's response: Not applicable.

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

    Performance: Observed the District's sexual harassment policy and complaint procedure in a conspicuous location on the entity's premises.
    Exceptions: There were no exceptions noted.
    Management's response: Not applicable.

33. 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:

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

    b) Number of sexual harassment complaints received by the agency;

    c) Number of complaints which resulted in a finding that sexual harassment occurred;

    d) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and

    e) Amount of time it took to resolve each complaint.

    Performance: Determined that the entity's annual sexual harassment report was dated correctly and that it includes the applicable requirements of R.S. 42:344.
    Exceptions: There were no exceptions noted.
    Management's response: Not applicable.