

***COTEAU FIRE PROTECTION DISTRICT
Houma, LA
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2024***

COTEAU FIRE PROTECTION DISTRICT
ANNUAL FINANCIAL REPORT
As of and for the Year Ended December 31, 2024

TABLE OF CONTENTS

MANAGEMENT'S DISCUSSION AND ANALYSIS	<u>Page</u> 1
 FINANCIAL SECTION	
Independent Auditor's Report	7
Financial Statements:	
Statement of Net Position	10
Statement of Activities	11
Balance Sheet – Governmental Fund –General Fund	12
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Fund – General Fund	13
Notes to the Financial Statements	14
 REQUIRED SUPPLEMENTAL INFORMATION	
Budget Comparison Schedule – General Fund	33
Schedule of Employer's Share of Net Pension Liability	34
Schedule of Employer Contributions	35
 OTHER SUPPLEMENTAL INFORMATION	
Schedule of Compensation, Benefits and Other Payments to Agency Head	36
 REPORTS REQUIRED ACCORDING TO GOVERNMENT AUDITING STANDARDS	
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 <i>Government Auditing Standards</i>	37

COTEAU FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2024

This discussion and analysis of the financial performance provides a narrative overview of the financial activities as of and for the fiscal year ended December 31, 2024. Please read it in conjunction with the basic financial statements and the accompanying notes to the financial statements.

FINANCIAL HIGHLIGHTS

Our financial statements provide these insights into the results of this year's operations:

- At the end of the year assets exceeded liabilities by \$1,472,294 (net position), of which \$1,266,161 is invested in capital assets and the remainder is unrestricted.
- During the year, expenses for fire protection services was \$1,215,783. Program revenues (Fire Insurance Rebate) were \$17,347. General revenues of ad valorem taxes, revenue sharing, compensation for property damages and interest totaled \$1.2 million, resulting at end the year with expenses exceeding revenue by \$181,292.
- Fund balances of the governmental funds was by \$512,083, all considered unassigned and available for use in future years.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (Government-Wide Financial Statements) provide information about the governmental activities as a whole and present a longer-term view of the finances. The Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds (Fund Financial Statements) tell how services were financed in the short term as well as what remains for future spending. Fund financial statements also report the operations in more detail than the government-wide statements by providing information about the most significant funds.

Our auditor has provided assurance in his independent auditor's report that the basic financial statements are fairly stated. The auditor, regarding the Required Supplemental Information and the Other Supplemental Information is providing varying degrees of assurance. A user of this report should read the independent auditor's report carefully to ascertain the level of assurance being provided for each of the other parts in the Annual Report.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the finances, in a manner similar to a private-sector business.

COTEAU FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2024

The statement of net position presents information on all of the assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as an indicator of whether the financial position is improving or deteriorating.

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Both of the government-wide financial statements distinguish functions that are principally supported by taxes and intergovernmental revenues, governmental activities, from other functions that are intended to recover all or a significant portion of their costs through user fees and charges, business-type activities.

Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds—not as a whole. Some funds are required to be established by State laws.

The District utilizes the governmental type of fund with the following accounting approach. All of the basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in reconciliation at the bottom of the fund financial statements.

FINANCIAL ANALYSIS AS A WHOLE (GWFS)

Net position decreased by over 11%. Unrestricted net assets totaled \$206,133. The balance in net position represents the accumulated results of all past years' operations. Current assets decreased slightly by 7.6% from the prior year due to operations. Capital assets and the net invested in capital assets decreased due to depreciation in excess of assets added.

COTEAU FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2024

Deferred outflows and inflows increased or decreased due to the changes in the components of the pension liability. Long term liabilities decreased for the payment of debt. Our analysis below focuses on the net position and changes in net position of the governmental-type activities.

Condensed Statement of Net Position	2023	2024	Dollar Change
Current and Other Assets	\$ 1,595,167	\$ 1,474,230	\$ (120,937)
Capital Assets	2,388,205	2,254,215	(133,990)
Total Assets	3,983,372	3,728,445	(254,927)
Deferred Outflows	266,275	245,186	(21,089)
Long-term Liabilities	1,600,826	1,514,663	(86,163)
Total Liabilities	1,600,826	1,514,663	(86,163)
Deferred Inflows	995,235	986,674	(8,561)
Net Invested in Capital Assets	1,317,414	1,266,161	(51,253)
Unrestricted	336,172	206,133	(130,039)
Total Net Position	\$ 1,653,586	\$ 1,472,294	\$ (181,292)

Program expenses – mainly salaries and benefits and other services and charges (telephone, insurance) and repairs and maintenance increased by approximately 9%. Program revenues (2% fire insurance rebate) remained basically the same as the prior year. General revenues - ad valorem taxes, revenue sharing, interest and compensation for damages – increased slightly by \$416 for an increase in ad valorem taxes collected.

Condensed Statement of Activities	2023	2024	Dollar Change
Total program expenses	\$ (1,113,283)	\$ (1,215,783)	\$ 102,500
Total program revenues	17,113	17,347	234
Net program income	(1,096,170)	(1,198,436)	102,734
General revenues	1,016,728	1,017,144	416
Change in Net Position	(79,442)	(181,292)	(101,850)
Net Position:			
Beginning of the year	1,733,028	1,653,586	(79,442)
End of the year	\$ 1,653,586	\$ 1,472,294	\$ (181,292)

COTEAU FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2024

FINANCIAL ANALYSIS OF INDIVIDUAL FUNDS (FFS)

The general fund reported an ending fund balance of 512,083. This reflects a decrease of \$121,011 from the prior year. Total revenues for the general fund were \$1,025,872, an increase of 3% from the prior year. Current expenditures for fire protection activities were \$888,454, an increase of 20% from the prior year - repairs and maintenance increased and capital outlay increased as more station improvements and equipment for Hurricane Ida repairs were necessary.

GENERAL FUND BUDGETARY HIGHLIGHTS

The original budget for the General Fund was revised during the year. A summary of those changes:

Original Budgeted Revenues	\$1,031,082
Amendments were made for:	
Decreased Ad Valorem taxes	(14,082)
Decreased Intergovernmental	(2,414)
Increased Interest & Miscellaneous	21,580
Total revenue amendments	5,084
Amended Budgeted Revenues	\$1,036,166
Original Budgeted Expenditures	\$1,029,961
Amendments were made for:	
Increased current expenditures	43,176
Increased Capital Outlay	108,141
Total expenditure amendments	151,317
Amended Budgeted Expenditures	\$1,181,278

All variances were in compliance with the Local Government Budget Act (R.S. 39:1301-15) R.S. 39:33, or R.S. 39:1331-1342, as applicable. More information on the current year budget can be found in the General Fund Budgetary Comparison Schedule.

COTEAU FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2024

CAPITAL ASSETS

A summary of capital assets:

	12/31/2024	12/31/2023
NON-DEPRECIABLE ASSETS		
Land	\$47,783	\$47,783
Construction in Progress	-	16,000
DEPRECIABLE ASSETS:		
Buildings & Improvements	2,108,998	1,997,153
Vehicles	2,048,063	2,049,408
Machinery & Equipment	460,162	481,375
Office Furniture & Equipment	21,710	19,685
Total Cost of depreciable assets	4,638,933	4,547,622
Total Cost of assets	4,686,716	4,611,405
Less accumulated depreciation	2,432,501	2,223,200
Net depreciable assets	\$2,206,432	\$2,324,421
Net capital assets	\$2,254,215	\$2,388,205

Depreciation	\$257,539	\$223,087
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This year there was additions of \$240,007 including \$111,845 transferred from construction in progress for station repairs completed. Assets that were deleted from the schedule totaled \$52,851. More detailed information about the capital assets is presented in Note 5 to the financial statements.

LONG-TERM DEBT

The District entered into a Louisiana Municipal Lease-Purchase agreement for the acquisition of a fire truck and refinanced the costs of construction of a new multi-purpose training and administration facility on April 14, 2024 with an option to purchase for a sum noted starting in April of 2026. The lease bears an interest rate of 5.74%. The lease qualified as a capital lease for accounting purposes and, therefore, has been recorded at the present value of its future minimum lease payments as of the inception date. The asset was recorded at a cost of \$637,036 as a vehicle purchase and \$425,290 as construction costs for the new training facility.

At the end of the year there was \$951,638 outstanding capital leases. Principal payments of \$79,688 and interest of \$59,198 were made on the outstanding balances. More detailed information about the long term debt is presented in Note 6 to the financial statements.

COTEAU FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2024

FIREFIGHTERS RETIREMENT SYSTEM

The District contributes to the Firefighters' Retirement System of Louisiana (FRS), a cost-sharing multiple-employer defined benefit public retirement system.

As of December 31, 2024, the District reported liabilities in the GWFS of \$526,609 in its governmental activities for its proportionate share (.093527%) of the net pension liabilities of the System. The District reported deferred outflows of resources of \$245,186 and deferred inflows of resources of \$(24,527) related to pensions. More information on the plan is presented in Note 7 to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Highlights of next year's General Fund budget adopted by the Board of Commissioners on November 26, 2024 include:

	2025
Anticipated revenues	\$ 1,043,500
Expenditures:	
Current	893,100
Capital outlay	10,000
Debt service	139,888
Anticipated expenditures	1,042,998
Revenues over expenditures (deficit)	512
Fund Balance:	
Beginning of the year	487,982
End of the year	\$ 488,494

CONTACTING FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the District's finances and to show accountability for the money it received. If you have questions about this report or need additional financial information, contact:

Chairman of the Board
2325 Coteau Road
Houma, LA
Phone number 985-868-4355



STAGNI & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

INDEPENDENT AUDITOR'S REPORT

To the Commissioners of
Coteau Fire Protection District
Houma, Louisiana

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of the Coteau Fire Protection District (the District), a component unit of Terrebonne Parish Consolidated Government, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the basic financial statements as listed in the table of contents.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities and each major fund of the District as of December 31, 2024, and the respective changes in financial position for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management's for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statement that are free of 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 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 opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of 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 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 and the Required Supplementary Information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not 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 sufficient evidence to express an opinion or provide any assurance.

Other Supplemental Information

Our audit was conducted for the purpose of forming opinions on the financial statement that collectively comprise the basic financial statements. The Schedule of Compensation, Benefits, and Other Payment to the Agency Head is presented for the purposes of additional analysis and is not a required part of the basic financial statements. This schedule is the responsibility of management and is derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statement themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule 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 16, 2025, on our consideration of the internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of testing, and not to provide an opinion on the 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 internal control over financial reporting and compliance.

Stagni & Company

May 16, 2025
Thibodaux, Louisiana



STAGNI & COMPANY, LLC

COTEAU FIRE PROTECTION DISTRICT

Statement of Net Position

December 31, 2024

ASSETS

Cash	\$ 8,083
Investment	468,443
Ad Valorem taxes receivable	249,564
Due from tax collector	692,034
Prepaid Insurance	56,106
Capital Assets, net of accumulated depreciation	2,254,215
TOTAL ASSETS	<u>3,728,445</u>

DEFERRED OUTFLOWS OF RESOURCES

Related to net pension liability	245,186
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LIABILITIES, DEFERRED INFLOWS AND NET POSITION

Liabilities:

Long-term liabilities:

Due in one year	120,678
Due after one year	867,376
Net pension liability	526,609
<i>Total liabilities</i>	<u>1,514,663</u>

Deferred Inflows of Resources:

Ad valorem taxes - subsequent year	962,147
Related to net pension liability	24,527
<i>Total deferred inflows</i>	<u>986,674</u>

Net Position:

Net Invested in capital assets	1,266,161
Unrestricted	206,133
<i>Total net position</i>	<u>\$ 1,472,294</u>

See notes to financial statements.

COTEAU FIRE PROTECTION DISTRICT

Statement of Activities - Governmental Activities

For the Year Ended December 31, 2024

FUNCTIONS/PROGRAMS	Expenses	Program Revenue		Net Revenue (Expense)
		Charges for services	Capital & Operating Grants	
Public Safety-Current	\$ 902,095	\$ -	\$ 17,347	\$ (884,748)
Interest and Fiscal Charges	56,149	-	-	(56,149)
Depreciation	257,539	-	-	(257,539)
Total governmental activities	<u>\$ 1,215,783</u>	<u>\$ -</u>	<u>\$ 17,347</u>	<u>(1,198,436)</u>

GENERAL REVENUES

Ad Valorem taxes	933,371
State of Louisiana	7,239
Miscellaneous	25,960
Compensation for property damage	8,619
Interest earned	41,955
<i>Total General Revenues</i>	<u>1,017,144</u>

Change in Net Position (181,292)

NET POSITION:

Beginning of year	1,653,586
End of year	<u><u>\$ 1,472,294</u></u>

See notes to the financial statements.

COTEAU FIRE PROTECTION DISTRICT
Balance Sheet - Governmental Fund - General Fund
December 31, 2024

ASSETS

Cash	\$ 8,083
Investments	468,443
Ad Valorem taxes receivable	249,564
Due from tax collector	692,034
Prepaid Insurance	56,106
TOTAL ASSETS	<u>\$ 1,474,230</u>

LIABILITIES

Accounts payable	<u>\$ -</u>
TOTAL LIABILITIES	-

DEFERRED INFLOWS OF RESOURCES

Ad valorem taxes levied for the next fiscal year	962,147
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FUND BALANCE

Unassigned	<u>512,083</u>
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RECONCILIATION TO THE STATEMENT OF NET POSITION:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental fund.

Capital Assets	4,686,716	
Accumulated Depreciation	<u>(2,432,501)</u>	2,254,215

Deferred outflows of resources related to net pension liability are not available resources and, therefore, are not reported in the funds

245,186

Long-term liabilities are not due and payable in the current period and therefore are not reported in the government fund.

Long term liabilities due in one year	(84,262)	
Long term liabilities due after one year	(867,376)	
Interest payable	(36,416)	
Net pension liability	<u>(526,609)</u>	(1,514,663)

Deferred inflows of resources related to net pension liability are not payable from current expendable resources and, therefore, are not reported in the funds

(24,527)

Net position of governmental activities

\$ 1,472,294

See notes to financial statements.

COTEAU FIRE PROTECTION DISTRICT

Statement of Revenues, Expenditures, and Changes
in Fund Balances - Governmental Fund - General Fund
For the Year Ended December 31, 2024

REVENUES

Ad Valorem taxes	\$ 933,371
Intergovernmental - State:	
Revenue Sharing	7,239
Fire Insurance Rebate	17,347
Miscellaneous	25,960
Interest	41,955
TOTAL REVENUES	<u>1,025,872</u>

EXPENDITURES**General Government - current:**

Ad Valorem Tax Deduction	31,324
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Public Safety - current:

Salaries & benefits	506,818
Supplies & materials	45,662
Other services & charges	175,283
Repairs & maintenance	129,367
<i>Total current</i>	<u>888,454</u>

Capital Outlay

128,162

Debt Service:

Principal	79,688
Interest	59,198
<i>Total debt service</i>	<u>138,886</u>

TOTAL EXPENDITURES	<u>1,155,502</u>
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Excess of expenditures over revenues (129,630)

OTHER SOURCES (USES):

Compensation for property damages	8,619
	<u>8,619</u>

NET CHANGE IN FUND BALANCES

(121,011)

FUND BALANCES

Beginning of year	633,094
End of year	<u>\$512,083</u>

RECONCILIATION TO THE STATEMENT OF ACTIVITIES:

Net change in fund balances per above \$ (121,011)

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay	128,162	
Depreciation expense	<u>(257,539)</u>	(129,377)

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds.

Principal payments on long-term debt	(79,688)
(Increase) decrease in interest payable on debt	3,049

Changes related to the Pension Plan for the current year are not reported in the governmental funds but are reported in the Statement of Activities

(Increase) Decrease in Net Pension Liability	3,426	
Change in Deferred Outflows	133,674	
Change in Deferred Inflows	<u>8,635</u>	145,735

Change in net position - governmental activities\$ (181,292)

See notes to financial statements.

COTEAU FIRE PROTECTION DISTRICT

Notes to the Financial Statements
For the Year Ended December 31, 2024

The Coteau Fire Protection District (the District) is governed by a Board of Commissioners appointed by the Terrebonne Parish Consolidated Government organized under La. Revised Statute 40:1492. The District provides for the acquisition, construction, maintenance, and operations of fire protection and emergency medical service facilities, for the purchase of fire trucks and other firefighting or emergency medical service equipment and paying the cost of obtaining water for fire protection purposes.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying basic financial statements have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

A. Reporting Entity

As the governing authority, the Terrebonne Parish Consolidated Government is the financial reporting entity for Terrebonne Parish. Because the Terrebonne Parish Consolidated Government could by definition in statute be financially burdened by the Coteau Fire Protection District, the District was determined to be a component unit of the Terrebonne Parish Consolidated Government. 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 any other governmental reporting entity.

The accompanying financial statements will be included in the comprehensive annual financial report (CAFR) of the Terrebonne Parish Consolidated Government for the year ending December 31, 2024.

B. Basis of Presentation

The accounting system is organized and operated on a fund basis whereby a separate self-balancing set of accounts is maintained for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations. The various funds in the financial statements in this report are as follows:

COTEAU FIRE PROTECTION DISTRICT

Notes to the Financial Statements
For the Year Ended December 31, 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)

B. Basis of Presentation (continued)

Governmental-wide Financial Statements (GWFS):

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

Fund Financial Statements (FFS)

Governmental funds account for all or most of the general activities. These funds focus on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may be used. Current liabilities are assigned to the fund from which they will be paid.

The difference between a governmental fund's assets and liabilities is reported as fund balance. In general, fund balance represents the accumulated expendable resources that may be used to finance future period programs or operations. The governmental fund of the District is the General Fund. The General Fund is used to account for all financial resources and expenditures except those required to be accounted for in other funds. The General Fund is *always* a major fund.

C. Measurement Focus / Basis of Accounting

Government-Wide Financial Statements (GWFS)

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, deferred outflows of resources, liabilities, and deferred inflows of resources 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, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from non-exchange transactions are recognized in accordance with the requirements of Section N50.

COTEAU FIRE PROTECTION DISTRICT

Notes to the Financial Statements
For the Year Ended December 31, 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)

C. Measurement Focus / Basis of Accounting (continued)

Program Revenues - Program revenues included in the column labeled Statement of Activities are derived directly from users as a fee for services; program revenues reduce the cost of the function to be financed from the general revenues.

General Revenues - Taxes and other items not properly included among program revenues are reported instead as general revenues.

Fund Financial Statements (FFS)

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 revenues, expenditures, and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach is then reconciled, through adjustment, to a government-wide view of 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). Available means that the resources will be collected within the current year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current year. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. 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 court considers all revenues available if they are collected within 60 days after the fiscal year end.

Expenditures are recorded when the related fund liability is incurred, except for interest and principal payments on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. The governmental funds use the following practices in recording revenues and expenditures:

COTEAU FIRE PROTECTION DISTRICT

Notes to the Financial Statements
For the Year Ended December 31, 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)

C. Measurement Focus / Basis of Accounting (continued)

Revenues – Ad valorem taxes and the related state revenue sharing are recorded as revenue in the period for which levied, thus the 2023 property taxes which were levied to finance the 2024 budget are recognized as revenue in 2024. The 2024 tax levy is recorded as deferred revenue in the current financial statements. Charges for services are recorded when earned since they are measurable and available. Miscellaneous revenues are recorded as revenues when received in cash by the District because they are generally not measurable or available until actually received.

Expenditures – Expenditures for salaries and benefits, safety supplies, insurance and audit and accounting fees are recorded when payable or when the fees are incurred.

D. Use of Estimates

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

E. Operating Budgets

As required by Local Government Budget Act (R.S. 39:1301-15), The Board of Commissioners adopted a budget for the District's General Fund. The proposed budget was submitted to the governing authority and made available for public inspection at least 15 days prior to the beginning of the budget year (R.S. 39:1306). The Board must approve any amendment involving the transfer of monies from one function to another, or increases in expenditures. All budgeted amounts that are not expended or obligated through contracts lapse at year-end. The General Fund budget is adopted on a basis materially consistent with accounting principles generally accepted in the United States of America.

F. Cash & Investments

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

COTEAU FIRE PROTECTION DISTRICT

Notes to the Financial Statements
For the Year Ended December 31, 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)

F. Cash & Investments (continued)

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

Investments are limited by Louisiana Revised Statute (R.S.) 33:2955. Investments are stated at fair value as established by open market, except for the Louisiana Asset Management Pool (LAMP). The Louisiana Asset Management Pool (LAMP) is a local government 2a7-like pool administered by a non-profit corporation organized under State of Louisiana law, which is permitted to be carried at amortized cost. Investments policies are governed by state statutes and all deposits are considered short term.

G. Receivables

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

H. Prepaid Insurance

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

I. Deferred Outflows and Inflows of Resources

The District reports decreases (increases) in net position that relate to future periods as deferred outflows (inflows) of resources in separate sections of its Statement of Net Position. The District reports deferred outflows of resources and deferred inflows of resources related to its net pension liability. These amounts are being amortized over a period of five years.

COTEAU FIRE PROTECTION DISTRICT

Notes to the Financial Statements
For the Year Ended December 31, 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)

J. Capital Assets

In the government-wide financial statements, additions, improvements and other capital outlays that significantly extend the useful life of an asset are recorded and depreciated (capitalized). Capital assets purchased or acquired with an original cost of \$500 or more are valued at historical cost or estimated if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. Other costs incurred for repairs and maintenance are expensed as incurred.

Depreciation of all exhaustible capital assets is recorded as an expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. All capital assets, other than land, are depreciated using the straight-line method over the following estimated useful lives:

CATEGORY	LIFE
BUILDINGS & IMPROVEMENTS	35 YEARS
VEHICLES	5-40 YEARS
OFFICE FURNITURE, FIXTURE & EQUIPMENT	5-15 YEARS
MACHINERY & EQUIPMENT	5-20 YEARS

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

K. Long-Term Debt

In the GWFS all long-term debt to be repaid from governmental resources are reported as liabilities. In the FFS long-term debt is not reported as liabilities. Debt proceeds are reported as other financing sources and payments of principle and interest reported as expenditures.

L. Fund Equity

For government-wide financial statements net assets are classified and displayed in three components:

- Net invested in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets, if any.

COTEAU FIRE PROTECTION DISTRICT

Notes to the Financial Statements
For the Year Ended December 31, 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)

L. Fund Equity (continued)

- Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributions or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- Unrestricted net assets – All other net assets that do not meet the definition of “restricted” or “net invested in capital assets.”

When both restricted and unrestricted resources are available for use, it is the District’s policy to use restricted resources first, then unrestricted resources as they are needed.

Governmental fund equity is classified as fund balance. Fund balance is further classified as non-spendable, restricted, committed, assigned, or unassigned.

- Non-spendable fund balance cannot be spent because of its form.
- Restricted fund balance has limitations imposed by creditors, grantors, or contributors or by enabling legislation or constitutional provisions.
- Committed fund balance is a limitation imposed by the entity’s board through approval of resolutions.
- Assigned fund balances is a limitation imposed by a designee of the entity’s board.
- Unassigned fund balance in the General Fund is the net resources in excess of what can be properly classified in one of the above four categories.

Negative unassigned fund balance in other governmental funds represents excess expenditures incurred over the amounts restricted, committed, or assigned to those purposes.

M. Compensated Absences

The District has adopted the following type of leave; Administrative, Civil, Funeral, Holiday, Leave without pay, Military, Personal, Sick Leave, Vacation.

Administrative Leave

The Fire Chief may grant administrative leave with or without pay for periods not to exceed thirty days during an investigation of an employee.

COTEAU FIRE PROTECTION DISTRICT

Notes to the Financial Statements
For the Year Ended December 31, 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)

M. Compensated Absences (continued)

Civil Leave

Civil leave shall be granted, without loss of compensation, to an employee, when performing jury duty in any local, state, or federal court, upon the presentation of the jury duty notification to the employee's immediate supervisor.

Civil leave shall also be granted, without loss of compensation, when an employee is subpoenaed to appear before a court, public body, commission, or board and receives no compensation, beyond mileage and meal stipend.

Off Duty

Any employee who is issued a subpoena for a day they are not scheduled for a tour of duty, regarding the performance of their duties as an employee of the District shall be compensated at a rate of one and one half (1½) times the employee's hourly rate.

Vacation – Eligibility

Full-Time Employees shall be eligible for Vacation Leave after they have completed one (1) year of service with the District, as designated by Louisiana Revised Statutes 33:1996.

Vacation Leave shall be determined and granted by the employees' years of service, the employee's scheduled tour of duty, as well as the availability of the requested leave dates.

Personal Leave

Personal Leave shall be granted to full-time District employees in the amount of five (5) days per calendar year, with no accrual of unused leave. Personal leave may be granted on an hourly basis, on a case by case basis.

Personal leave of more than two (2) consecutive days may be applied to vacation leave or leave without pay.

COTEAU FIRE PROTECTION DISTRICT

Notes to the Financial Statements
For the Year Ended December 31, 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)

N. Compensated Absences (continued)

Sick Leave

Sick leave shall be provided for all full-time District employees for the purpose of recuperating from an illness or an injury without causing an undue financial burden on the employee and will be in accordance with Louisiana Revised Statutes 33:1995.

Employees who draw full pay during sickness or incapacity shall have such pay decreased by the amount of worker's compensation benefits received by the employee, in accordance with Louisiana Revised Statutes 33:1995.1

NOTE 2 DEPOSITS AND INVESTMENTS

Deposits

A summary of deposits are listed as follows:

	Bank Balance	Reported Amount
Checking Accounts	\$20,952	\$8,083

State law requires that deposits (cash and certificates of deposit) of all political subdivisions to be fully collateralized at all times. Acceptable collateralization includes FDIC insurance and the 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. Under the provision of GASB, pledged securities, which are not in the name of the governmental unit, are considered uncollateralized.

Custodial credit risk is the risk that in the event of a bank failure, deposits may not be returned to it. The District has a written policy for custodial credit risk. As of year-end none of the bank balance of deposits was exposed to custodial credit risk.

COTEAU FIRE PROTECTION DISTRICT

Notes to the Financial Statements
For the Year Ended December 31, 2024

NOTE 2 DEPOSITS & INVESTMENTS (continued)

The Governmental Accounting Standards Board (GASB), which promulgates the standards for accounting and financial reporting for state and local governments, considers these securities subject to custodial credit risk. Even though the pledged securities are considered subject to custodial credit risk under the provisions of GASB Statement 40, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the depositor that the fiscal agent has failed to pay deposited funds upon demand.

Investments

At year-end the balance of \$468,443 is invested in the Louisiana Asset management Pool (LAMP). LAMP, a local government investment pool, is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana, which was formed by an initiative of the State Treasurer in 1993. While LAMP is not required to be a registered investment company under the Investment Company Act of 1940, its investment policies are similar to those established by Rule 2-a7, which governs registered money market funds. 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.

Accordingly, LAMP investments are restricted to securities issued, guaranteed, or back by the U.S. Treasury, the U.S. Government, or one of its agencies, enterprises, or instrumentalities, as well as repurchase agreements collateralized by those securities. The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consists of no securities with maturity in excess of 397 days. The fair value of investments is determined on a weekly basis to monitor any variances between amortized cost and fair value.

For purposes of determining participants' shares, investments are valued at amortized cost, which approximates fair value. LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP is rated AAAM by Standard & Poor's. 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 for custodial credit risk.

COTEAU FIRE PROTECTION DISTRICT

Notes to the Financial Statements
For the Year Ended December 31, 2024

NOTE 2 DEPOSITS & INVESTMENTS (continued)

Pooled investments are excluded from the 5 percent disclosure requirement regarding the concentration of credit risk. 2a-7 like investments pools are excluded from the interest rate disclosure requirement, nor is foreign currency risk disclosure applicable.

NOTE 3 AD VALOREM TAX REVENUE

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. A reevaluation of all property is required to be completed no less than every four years. The last reevaluation was completed for the list of January 1, 2024. Taxes are due and payable December 31 with interest being charged on payments after January 1. Taxes can be paid through the tax sale date, which is the last Wednesday in June.

Properties for which the taxes have not been paid are sold for the amount of the taxes. Taxes are due and payable December 31 with interest being charged on payments after January 1. Taxes can be paid through the tax sale date, which is the last Wednesday in June. Properties for which the taxes have not been paid are sold for the amount of the taxes. The tax rate for the year ended December 31, 2023 – which is recognized as revenue in 2024 - was 18 mills of assessed valuation on property within Coteau Fire Protection District for the purpose of constructing, maintaining and operating fire protection facilities within the District. The assessed values of real property upon which the 2024 property taxes are based on is \$53,448,508.

Note 4 AD VALOREM TAXES RECEIVABLE - DUE FROM TAX COLLECTOR

The Terrebonne Parish Sheriff collects and remits ad valorem taxes on behalf of all taxing districts in Terrebonne Parish. Ad valorem taxes receivable represents real property taxes, and outstanding delinquencies which are measurable as of December 31, 2024 and for which there is an enforceable legal claim. In the governmental funds, the current portion receivable has been offset by deferred revenue since the 2024 levy is budgeted to finance 2025 operations and the collection of delinquent taxes has been offset by a deferred inflow of resources since the collection of the taxes during the available period is not subject to reasonable estimation. On a modified accrual basis the revenue is reported as a deferred inflow of resources.

COTEAU FIRE PROTECTION DISTRICT

Notes to the Financial Statements
For the Year Ended December 31, 2024

Note 4 AD VALOREM TAXES RECEIVABLE - DUE FROM TAX COLLECTOR (continued)

The amount that was collected in December but not yet remitted to the District is considered due from the tax collector; the remaining amount of the total deferred levy is recorded as ad valorem tax receivable. The entire levy is reported as a deferred inflow of resources of \$962,147.

The tax rate for the year 2024 levy – for revenue to be recognized in 2025 was 18 mills of assessed valuation on property within Coteau Fire Protection District for the purpose of providing fire protection within the District. The assessed values of real property upon which the 2024 property tax levy is based on is \$54,594,173.

NOTE 5 CAPITAL ASSETS

Information about capital assets and depreciation for the year are summarized as follows:

	Beginning Balance	Additions	Deletions / Adjustments	Ending Balance
NON-DEPRECIABLE ASSETS				
Land	\$ 47,783	\$ -	\$ -	\$ 47,783
Construction in Progress	16,000	95,845	(111,845)	-
	63,783	95,845	(111,845)	47,783
DEPRECIABLE ASSETS:				
Buildings & Improvements	1,997,153	111,845	-	2,108,998
Vehicles	2,049,408	-	(1,345)	2,048,063
Machinery & Equipment	481,375	27,588	(48,801)	460,162
Office Furniture & Equipment	19,685	4,729	(2,704)	21,710
Total Cost of depreciable assets	4,547,622	144,162	(52,851)	4,638,933
Total Cost of assets	4,611,405	240,007	(164,696)	4,686,716
ACCUMULATED DEPRECIATION				
Buildings & Improvements	366,550	54,594	-	421,144
Vehicles	1,488,209	142,673	(1,345)	1,629,537
Machinery & Equipment	362,188	56,320	(44,566)	373,942
Office Furniture & Equipment	6,253	3,952	(2,327)	7,878
Total accumulated depreciation	2,223,200	257,539	(48,238)	2,432,501
Net depreciable assets	\$2,324,421			\$2,206,432
Net capital assets	\$2,388,205			\$2,254,215

Depreciation Expense of \$257,539 was recorded in the governmental activities.

COTEAU FIRE PROTECTION DISTRICT

Notes to the Financial Statements
For the Year Ended December 31, 2024

NOTE 6 LONG-TERM DEBT

A summary of changes in the long-term debt for the year is as follows:

CATEGORY	BALANCE BEGINNING	Additions	PAYMENTS	BALANCE ENDING
Government Capital – 2023	\$1,031,326	\$ -	\$ (79,688)	\$951,638
Totals	\$1,031,326	\$ -	\$ (79,688)	\$ 951,638

The District entered into a Louisiana Municipal Lease-Purchase agreement for the acquisition of a fire truck and refinance the existing lease for the new multi-purpose training and administration facility on April 14, 2023 with an option to purchase for a sum noted starting in April of 2026. The lease bears an interest rate of 5.74%. The lease qualified as a capital lease for accounting purposes and, therefore, has been recorded at the present value of its future minimum lease payments as of the inception date. The asset was recorded at a cost of \$637,036 as a vehicle purchase and \$425,290 as the refinancing of construction costs for the new training facility. Principal payments of \$79,688 and interest of \$59,198 were made during the year.

Future minimum lease payments:

YEAR	PRINCIPAL	INTEREST	TOTAL
4/26/2025	\$ 84,262.20	\$ 54,624.00	\$ 138,886.20
4/26/2026	\$ 89,098.85	\$ 49,787.35	\$ 138,886.20
4/26/2027	\$ 93,457.84	\$ 44,673.08	\$ 138,130.92
4/26/2028	\$ 98,822.32	\$ 39,308.60	\$ 138,130.92
4/26/2029	\$ 104,494.73	\$ 33,636.19	\$ 138,130.92
4/26/2030	\$ 110,492.72	\$ 27,638.20	\$ 138,130.92
4/26/2031	\$ 116,835.01	\$ 21,295.91	\$ 138,130.92
4/26/3032	\$ 123,541.33	\$ 14,589.59	\$ 138,130.92
4/26/3033	\$ 130,632.63	\$ 7,498.29	\$ 138,130.92
	\$ 951,637.63	\$ 293,051.21	\$ 1,244,688.84

COTEAU FIRE PROTECTION DISTRICT

Notes to the Financial Statements
For the Year Ended December 31, 2024

NOTE 7 FIREFIGHTERS RETIREMENT SYSTEM

The District adopted GASB Statement No. 68 *Accounting and Financial Reporting for Pensions*. That Statement requires governments providing defined benefit pensions to recognize their long-term obligation for pension benefits as a liability for the first time, and to more comprehensively and comparably measure the annual costs of pension benefits.

PLAN DESCRIPTION – The District contributes to the Firefighters' Retirement System of Louisiana (FRS), a cost-sharing multiple-employer defined benefit public retirement system, which is controlled and administered by a separate Board of Trustees. The System provides retirement, disability benefits, and death benefits for its members.

Act 434 of the 1979 Louisiana Legislative Session established the plan. The System is governed by Louisiana R.S. 11:2251 – 11:2269, specifically, and other general laws of the State. The System issues a publicly available financial report that includes financial statements and required supplementary information for the System. The report may be obtained by writing to Firefighters' Retirement System of Louisiana, 2051 Silverside Dr., Suite 210, Baton Rouge, LA 70808-4136 or at their website <http://www.lafirefightersret.com>.

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 R.S. 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.

COTEAU FIRE PROTECTION DISTRICT

Notes to the Financial Statements
For the Year Ended December 31, 2024

NOTE 7 FIREFIGHTERS RETIREMENT SYSTEM (continued)

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

If employees terminate before rendering 12 years of service, they forfeit the right to receive the portion of their accumulated plan benefits attributable to their employer's contributions. Benefits are payable over the employees' lives in the form of a monthly annuity. An employee may elect an unreduced benefit or any of seven options at retirement. See R.S. 11:2256(A) for additional details on retirement benefits.

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

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

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 DROP employer and employee contributions to the System cease. The monthly retirement benefit that would have been payable is paid into the DROP 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 DROP 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 DROP account until the participant retires.

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

COTEAU FIRE PROTECTION DISTRICT

Notes to the Financial Statements
For the Year Ended December 31, 2024

NOTE 7 FIREFIGHTERS RETIREMENT SYSTEM (continued)

EMPLOYER CONTRIBUTIONS – Employer contributions are actuarially determined each year. For the period July 1, 2023 to June 30, 2024, employer and employee contributions for members above the poverty line were 33.25% and 10.00% respectively, and for members below the poverty line were 35.25% and 8.00% respectively.

NON-EMPLOYER CONTRIBUTIONS – The System also receives insurance premium tax monies as additional employer contributions. The tax is considered support from a non-contributing entity and appropriated by the legislature each year based on an actuarial study. Non-employer contributions are recognized as revenue during the year ended June 30, 2024 and were excluded from pension expense. Non-employer contributions received by the System during the year ended June 30, 2024 for the System were \$31,181,383 and for the District were \$29,163.

PENSION LIABILITIES, PENSION EXPENSE, AND DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES - As of December 31, 2024, the District reported liabilities in the GWFS of \$526,609 in its governmental activities for its proportionate share of the net pension liabilities of the System. The net pension liability was measured as of June 30, 2024 and the total pension liability used to calculate the net pension obligation was determined by an actuarial valuation as of that date.

The proportion of the net pension liability was based on a projection of the long-term contributions to the plans relative to the projected contributions of all participating employers, actuarially determined.

At June 30, 2024, the District's proportional share of the System was .093527% which was an increase of .01232% from its proportion measured as of June 30, 2023.

For the year ended December 31, 2024 the District recognized a pension expense of \$129,857 in its governmental activities related to its participation in the System. The District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

COTEAU FIRE PROTECTION DISTRICT

Notes to the Financial Statements
For the Year Ended December 31, 2024

NOTE 7 FIREFIGHTERS RETIREMENT SYSTEM (continued)

	Deferred outflows	Deferred inflows
Differences between expected and actual experience	\$ 39,536	\$(12,524)
Investment Earnings	5,327	-
Changes in assumption	22,528	-
Changes in proportion	131,821	(12,003)
Subsequent to measurement date contributions	45,974	-
	<u>\$245,186</u>	<u>\$(24,527)</u>

The deferred outflows of resources related to pensions resulting from contributions 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:

Year ended December 31:	
2025	\$32,507
2026	95,227
2027	6,285
2028	40,666
	<u>\$174,685</u>

ACTUARIAL ASSUMPTIONS - The total pension liabilities and actuarial valuations were determined using the following actuarial assumptions, applied to all periods included in the measurements:

Valuation Date	June 30, 2024
Actuarial cost method	Entry Age Normal
Actuarial cost assumptions:	
Expected remaining service lives	7 years, closed period
Investment rate of return	6.90% per annum
Inflation rate	2.50% per annum
Salary increases	Vary from 14.10% in the first two years of service to 5.20% with 3 or more years

COTEAU FIRE PROTECTION DISTRICT

Notes to the Financial Statements
For the Year Ended December 31, 2024

NOTE 7 FIREFIGHTERS RETIREMENT SYSTEM (continued)

The mortality rate assumptions were updated in fiscal year 2023 to reflect changes from the recent experience study and rates set in the Pub-2010 Public Retirement Plans mortality tables. For the June 30, 2024 valuation, assumptions for mortality rates were based on the following:

- For active members, mortality was set equal to the Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Employees.
- For annuitants and beneficiaries, mortality was set equal to the Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Healthy Retirees.
- For disabled retirees, mortality was set equal to the Pub-2010 Public Retirement Plans Mortality Table for Safety Disabled Retirees.
- In all cases the base table was multiplied by 105% for males and 115% for females, each with full generational projection using the appropriate MP2019 scale.

The estimated long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation, 2.50%. Best estimates of arithmetic real rates of return for each major class includes in the System's target asset allocation as of June 30, 2024, are summarized in the following table:

COTEAU FIRE PROTECTION DISTRICT

Notes to the Financial Statements
For the Year Ended December 31, 2024

NOTE 7 FIREFIGHTERS RETIREMENT SYSTEM (continued)

Asset Type	Target Asset Allocation	Long-Term Expected Real Rate of Return
Equities-US Equity	28.50%	6.24%
Equities-Non-US Equity	11.00%	6.36%
Equities-Global Equity	10.00%	6.42%
Equity – Emerging Market	4.50%	8.26%
Fixed Income-US Core	22.00%	2.09%
Fixed Income-U.S. TIPS	2.00%	2.00%
Fixed Income-Emerging Market Debt	2.00%	4.05%
Fixed Income – Multisector Fixed Income	4.00%	2.34%
Alternatives-Private Equity	9.00%	9.77%
Alternatives-Real Assets	4.00%	4.85%
Alternatives-Real Estate	3.00%	5.93%
Totals	100.00%	
Discount Rate		6.9%

SENSITIVITY OF THE CHANGES IN DISCOUNT RATE - The following presents the net pension liabilities of the participating employers calculated using the discount rate as well as what the employers' net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate as of June 30, 2024.

	1% Decrease	Current Discount Rate 6.90%	1% Increase
Net Pension Liability	\$874,282	\$ 526,609	\$ 236,617

NOTE 8 RISK MANAGEMENT

The District is exposed to various risks of loss related to workmen's compensation; torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the District carries commercial insurance. No settlements were made during the year that exceeded the District's insurance coverage.

NOTE 9 COMPENSATION OF BOARD MEMBERS

No compensation was paid to Board Members for the year.

COTEAU FIRE PROTECTION DISTRICT

Budget Comparison Schedule - General Fund
For the Year Ended December 31, 2024

	Budgets		Actual	Variance Favorable (Unfavorable)
	Original	Final (amended)		
REVENUES				
Ad Valorem taxes	\$949,082	\$935,000	\$933,371	\$ (1,629)
Intergovernmental Revenue - State	27,000	24,586	24,586	-
Miscellaneous	15,000	34,580	25,960	(8,620)
Interest	40,000	42,000	41,955	(45)
TOTAL REVENUES	<u>1,031,082</u>	<u>1,036,166</u>	<u>1,025,872</u>	<u>(10,294)</u>
EXPENDITURES				
General Government - current:				
Ad Valorem Tax Deduction	28,000	31,324	31,324	-
Public safety - current:				
Salaries & benefits	486,550	491,006	506,818	(15,812)
Supplies & materials	46,700	51,200	45,662	5,538
Other services & charges	218,825	211,721	175,283	36,438
Repairs & maintenance	62,500	100,500	129,367	(28,867)
Total public safety - current	<u>814,575</u>	<u>854,427</u>	<u>857,130</u>	<u>(2,703)</u>
Capital outlay	<u>48,500</u>	<u>156,641</u>	<u>128,162</u>	<u>28,479</u>
Debt Service:				
Principal	79,688	79,688	79,688	-
Interest	59,198	59,198	59,198	-
Total debt service	<u>138,886</u>	<u>138,886</u>	<u>138,886</u>	<u>-</u>
TOTAL EXPENDITURES	<u>1,029,961</u>	<u>1,181,278</u>	<u>1,155,502</u>	<u>25,776</u>
Excess of expenditures over revenues	<u>1,121</u>	<u>(145,112)</u>	<u>(129,630)</u>	<u>15,482</u>
OTHER SOURCES (USES):				
Proceeds from Insurance - Hurricane	-	-	8,619	8,619
NET CHANGE IN FUND BALANCES	<u>1,121</u>	<u>(145,112)</u>	<u>(121,011)</u>	<u>24,101</u>
FUND BALANCES				
Beginning of year	751,782	633,094	633,094	-
End of year	<u>\$ 752,903</u>	<u>\$ 487,982</u>	<u>\$ 512,083</u>	<u>\$ 24,101</u>

Notes to budget comparison schedule:

1 Basis of Accounting

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

2 Budgetary Practices

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

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

COTEAU FIRE PROTECTION DISTRICT
Schedule of Employer's Share of Net Pension Liability
For the Year Ended December 31, 2024

Year Ended June 30**	Employer Proportion of the Net Pension Liability (Asset)	Employer Proportionate Share of the Net Pension Liability (Asset) (a)	Employer's Covered Employee Payroll (b)	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Employee Payroll (a/b)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2024	0.093527%	\$ 526,609	\$ 245,980	214.09%	81.68%
2023	0.081209%	\$ 530,035	\$ 197,731	268.06%	77.69%
2022	0.070777%	\$ 499,069	\$ 166,275	300.15%	74.68%
2021	0.074821%	\$ 265,155	\$ 171,056	155.01%	86.78%
2020	0.068081%	\$ 471,907	\$ 169,494	278.42%	72.61%
2019	0.056129%	\$ 351,475	\$ 123,658	284.23%	73.96%
2018	0.054794%	\$ 315,179	\$ 109,654	287.43%	74.76%
2017	0.052783%	\$ 302,544	\$ 127,812	236.71%	73.50%
2016	0.050970%	\$ 333,410	\$ 124,572	267.64%	68.20%
2015	0.051609%	\$ 278,540	\$ 113,384	245.66%	72.40%

This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

** Amounts presented were determined as of the measurement date (previous fiscal year-end).

Notes to Retirement System Schedules:

Changes of Benefit Terms

6/30/2016-

6/30/2024 NO CHANGE

Changes of Assumptions

	Actuarial cost method	Inflation rate	Discount rate- Investment ROR	Salary increases	Expecting remaining service lives
6/30/2015	Entry Age Normal	2.88%	7.50%	Vary from 15.0% in first two years to 4.75% with 25 or more years	7 years
6/30/2016	no change	2.88%	7.50%	no change	no change
6/30/2017	no change	2.78%	7.40%	no change	no change
6/30/2018	no change	2.70%	7.30%	no change	no change
6/30/2019	no change	2.70%	7.15%	Vary from 14.75% in first two years to 4.50% with 25 or more years	no change
6/30/2020	no change	2.50%	7.00%	14.10% in first two years to 5.20% with 3 or more years	no change
6/30/2021	no change	2.50%	6.90%	no change	no change
6/30/2022	no change	2.50%	6.90%	no change	no change
6/30/2023	no change	2.50%	6.90%	no change	no change
6/30/2024	no change	2.50%	6.90%	no change	no change

COTEAU FIRE PROTECTION DISTRICT

Schedule of Employer Contributions For the Year Ended December 31, 2024

Year Ended June 30**	(a) Statutorily Required Contribution (SRC)	(b) Contributions in Relation to the SRC	(a-b) Contribution Deficiency (Excess)	Agency's covered Employee Payroll	Contributions as a % of Covered Employee Payroll
2024	\$ 89,363	\$ 81,788	\$ (7,575)	\$ 245,980	33.2%
2023	\$ 72,485	\$ 72,485	\$ -	\$ 197,731	36.7%
2022	\$ 61,542	\$ 61,542	\$ -	\$ 166,275	37.0%
2021	\$ 60,524	\$ 60,524	\$ -	\$ 171,056	35.4%
2020	\$ 47,035	\$ 47,035	\$ -	\$ 169,494	27.8%
2019	\$ 35,949	\$ 35,949	\$ -	\$ 123,658	29.1%
2018	\$ 34,654	\$ 31,994	\$ (2,660)	\$ 109,654	29.2%
2017	\$ 33,087	\$ 33,087	\$ -	\$ 127,812	25.9%
2016	\$ 25,672	\$ 25,672	\$ -	\$ 137,975	18.6%
2015	\$ 10,786	\$ 10,786	\$ -	\$ 124,572	8.7%

This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

** Amounts presented were determined as of the measurement date (previous fiscal year-end).

Notes to Retirement System Schedules:

Changes of Benefit Terms

6/30/2016-

6/30/2024 NO CHANGE

Changes of Assumptions

	Actuarial cost method	Inflation rate	Discount rate- Investment ROR	Salary increases	Expecting remaining service lives
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6/30/2017	no change	2.78%	7.40%	no change	no change
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6/30/2019	no change	2.70%	7.15%	Vary from 14.75% in first two years to 4.50% with 25 or more years	no change
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6/30/2022	no change	2.50%	6.90%	no change	no change
6/30/2023	no change	2.50%	6.90%	no change	no change
6/30/2024	no change	2.50%	6.90%	no change	no change

COTEAU FIRE PROTECTION DISTRICT

Schedule of Compensation, Benefits and Other Payments to Agency Head For the Year Ended December 31, 2024

Agency Head Name: RUSSELL DISALVO, DISTRICT FIRE CHIEF

Purpose	Amount
Salary	\$91,762
Supplemental Pay	\$7,200
Benefits-insurance	\$8,643
Benefits-retirement	\$30,910
Deferred compensation (contributions made by the agency)	\$0
Benefits-other (describe)	\$0
Car allowance	\$0
Vehicle provided by government (enter amount reported on W-2 adjusted for various fiscal years)	\$0
Cell phone	\$0
Dues	\$0
Vehicle rental	\$0
Per diem for meals for conference	\$0
Reimbursements	\$0
Travel	\$0
Registration fees	\$0
Conference travel	\$528
Housing	\$0
Unvouchered expenses (expample: travel advances, etc.)	\$0
Special meals	\$0
Other (including payments made by other parties on behalf of the agency head)	\$0

This form is used to satisfy the reporting requirement of R.S. 24:513(A)(3) on Supplemental Reporting



STAGNI & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

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 Commissioners of
Coteau Fire Protection District
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 each major fund of the Coteau Fire Protection District, a component unit of Terrebonne Parish Consolidated Government as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the basic financial statements as listed in the table of contents and have issued our report thereon dated May 16, 2025.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 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. Given these limitations, we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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 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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Stagni & Company

May 16, 2025
Thibodaux, Louisiana



STAGNI & COMPANY, LLC
