

*Financial Report*

*Village East Fire Protection District*  
*Houma, Louisiana*

*December 31, 2025*

*Financial Report*

*Village East Fire Protection District*  
*Houma, Louisiana*

*December 31, 2025*

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Houma, Louisiana

December 31, 2025

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**FINANCIAL SECTION**

## **INDEPENDENT AUDITOR’S REPORT**

To the Board of Commissioners,  
Village East Fire Protection District,  
Houma, Louisiana.

### **Opinions**

We have audited the accompanying financial statements of the governmental activities and General Fund of Village East Fire Protection District (the “District”), a component unit of the Terrebonne Parish Consolidated Government, State of Louisiana, as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the District’s basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the General Fund of the District as of December 31, 2025 and the respective changes in net position for the year then ended and budgetary comparison of the general fund 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 related to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

Management is responsible for the preparation and fair presentation of 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 generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

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

## Required Supplementary Information

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

## Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's basic financial statements. The accompanying supplementary information on page 38 is presented for the purpose of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. This information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

## Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 6, 2026 on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



Certified Public Accountants.

Houma, Louisiana,  
April 6, 2026.

# **MANAGEMENT'S DISCUSSION AND ANALYSIS**

## **Village East Fire Protection District**

Houma, Louisiana

December 31, 2025

The Management's Discussion and Analysis of the Village East Fire Protection District's financial performance presents a narrative overview and analysis of the District's financial activities for the year ended December 31, 2025. This document focuses on the current year's activities, resulting changes, and currently known facts. Please read this document in conjunction with financial statements, which follow this section.

### **FINANCIAL HIGHLIGHTS**

The District's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at the close of fiscal year 2025 by \$1,723,605 (net position), which represents a 2.70% increase from last fiscal year.

The District's revenue decreased by \$82,323 (or 12.89%) primarily due to a decrease in ad valorem taxes.

The District's expenses decreased by \$32,363 (or 5.96%) primarily due to decreases in personal services expenses in 2025.

The District did not have a deficit fund balance.

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

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

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

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

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

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private sector business. The Statement of Net Position presents information on all of the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating. The Statement of Activities presents information showing how the District's net position changed during each fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs regardless of the timing of related cash flows.

Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods. The governmental activity of the District is public safety which is comprised of various programs that includes construction, maintenance and operation of fire protection facilities and the prevention and extinguishing of fires.

### **Fund Financial Statements**

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

### **Governmental Funds**

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

The District maintains an individual governmental fund. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balance for the General Fund. The District adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget. The governmental fund financial statements can be found on pages 10 through 14 of this report.

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

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

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, net position may serve over time as a useful indicator of the District's financial position. As of December 31, 2025, assets exceeded liabilities by \$1,723,605. A large portion of the District's net position (36.9%) reflects its investment in capital assets (e.g., vehicles, machinery and equipment, and building and improvements). Consequently, these assets are not available for future spending.

**Condensed Statements of Net Position**

	<u>December 31,</u>		<u>Dollar</u>
	<u>2025</u>	<u>2024</u>	<u>Change</u>
Current and other assets	\$ 1,718,496	\$ 1,720,807	\$ (2,311)
Capital assets	635,715	599,858	35,857
Deferred outflows of resources	45,524	48,176	(2,652)
Total assets and deferred outflows of resources	<u>2,399,735</u>	<u>2,368,841</u>	<u>30,894</u>
Current liabilities	8,537	17,441	(8,904)
Long-term liabilities	130,655	177,959	(47,304)
Deferred inflows of resources	536,938	495,176	41,762
Total liabilities and deferred inflows of resources	<u>676,130</u>	<u>690,576</u>	<u>(14,446)</u>
Net position:			
Net investment in capital assets	635,715	599,858	35,857
Unrestricted	1,087,890	1,078,407	9,483
Total net position	<u>\$ 1,723,605</u>	<u>\$ 1,678,265</u>	<u>\$ 45,340</u>

Capital assets increased primarily due to improvements to the truck room walls, ceilings, concrete driveway, and parking area limestone for the year ended December 31, 2025. Deferred outflows of resources and long-term liabilities decreased due to actuarial adjustments in the Firefighters' State Retirement System of Louisiana. Deferred inflows of resources increased primarily due to actuarial adjustments.

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

Governmental activities increased the District's net position by \$45,340. Key elements of this increase are as follows:

**Condensed Statements of Activities**

	<u>December 31,</u>		Dollar Change	Total Percent Change
	<u>2025</u>	<u>2024</u>		
<b>Revenues</b>				
Taxes	\$ 448,594	\$ 517,467	\$(68,873)	-13.31%
Intergovernmental:				
State revenue sharing	9,714	10,086	(372)	-3.69%
Fire insurance tax	33,536	32,367	1,169	3.61%
Supplemental pay	7,200	7,200	-	0.00%
Miscellaneous	57,293	71,540	(14,247)	-19.91%
Total revenues	<u>556,337</u>	<u>638,660</u>	<u>(82,323)</u>	-12.89%
<b>Expenses</b>				
General government	7,287	15,924	(8,637)	-54.24%
Public safety	503,710	527,436	(23,726)	-4.50%
Total expenses	<u>510,997</u>	<u>543,360</u>	<u>(32,363)</u>	-5.96%
Change in net position	45,340	95,300	(49,960)	-52.42%
Net position, beginning of year	<u>1,678,265</u>	<u>1,582,965</u>	<u>95,300</u>	6.02%
Net position, end of year	<u>\$ 1,723,605</u>	<u>\$ 1,678,265</u>	<u>\$ 45,340</u>	2.70%

In 2025, the District's revenues decreased by \$82,323. Ad valorem tax revenue decreased by \$68,873 due to a decrease in tax assessed value of property. Also, during the year ended December 31, 2025, expenses decreased by \$32,363 primarily due to decreases in personal services expenses resulting from decreases in retirement expenses contained in the 2025 pension valuation for the Firefighters' State Retirement System of Louisiana.

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

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

**Governmental Funds**

The focus of the District's governmental fund is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. As of the end of the current fiscal year, the District's General Fund ending fund balance is \$1,190,963 which was a decrease of \$33,193 in comparison with the prior year. The fund balance is unassigned and available for spending at the District's discretion.

**General Fund Budgetary Highlights**

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

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

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

The District's investment in capital assets for its governmental activities as of December 31, 2025, amounts to \$635,715 (net of accumulated depreciation). This net investment in capital assets includes vehicles, machinery and equipment, building and improvements (see the table below).

	<u>2025</u>	<u>2024</u>
Vehicles, machinery and equipment	\$ 323,654	\$ 406,020
Building and improvements	<u>312,061</u>	<u>193,838</u>
Totals	<u>\$ 635,715</u>	<u>\$ 599,858</u>

Major capital asset events during the current fiscal year included building improvements and the purchase of various equipment. Additional information on the District's capital assets can be found in Note 5, Exhibit F of this report.

**CAPITAL ASSETS AND DEBT ADMINISTRATION (Continued)**

**Long-Term Liabilities**

As of December 31, 2025, long-term liabilities consisted of compensated absences payable and pension liabilities. The District reported decreases in compensated absences of \$427 to an ending balance of \$4,103 and pension liabilities decreased \$46,877 to an ending balance of \$126,552.

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

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

- The ad valorem tax revenue budgeted represents the estimated amount of the November 2025 assessment, which the District will receive, for the most part, in January 2026.
- The ad valorem tax rates adopted in 2025 determining 2026 revenue reflected the maximum rolled forward rate of 15 mills. Revenues are expected to increase due to the expected increase in assessed value of property.

**REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Board of Directors of the Village East Fire Protection District, 100 Development St., Houma, Louisiana 70363.

**STATEMENT OF NET POSITION AND  
GOVERNMENTAL FUND BALANCE SHEET**

**Village East Fire Protection District  
Houma, Louisiana**

December 31, 2025

	General Fund	Adjustments (Exhibit B)	Statement of Net Position
<b>Assets</b>			
Cash and cash equivalents	\$ 1,224,383	\$ -	\$ 1,224,383
Receivables - taxes	124,934	-	124,934
Due from other governmental units	325,911	-	325,911
Prepaid items	2,759	40,509	43,268
Capital assets - depreciable, net of accumulated depreciation	-	635,715	635,715
Total assets	1,677,987	676,224	2,354,211
Deferred outflows of resources - pension	-	45,524	45,524
Total assets and deferred outflows of resources	\$ 1,677,987	721,748	2,399,735
<b>Liabilities</b>			
Accounts payable and accrued expenditures	\$ 8,537	-	8,537
Long-term liabilities - due after one year	-	130,655	130,655
Total liabilities	8,537	130,655	139,192
Deferred inflows of resources:			
Unavailable revenue - property taxes	478,487	-	478,487
Pension	-	58,451	58,451
Total deferred inflows of resources	478,487	58,451	536,938
Total liabilities and deferred inflows of resources	487,024	189,106	676,130
<b>Fund Balance/Net Position</b>			
Fund balance:			
Unassigned	1,190,963	(1,190,963)	-
Total liabilities, deferred inflows of resources, and fund balance	\$ 1,677,987		
Net position:			
Net investment in capital assets		635,715	635,715
Unrestricted		1,087,890	1,087,890
Total net position		\$ 1,723,605	\$ 1,723,605

See notes to financial statements.

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

**Village East Fire Protection District**

Houma, Louisiana

December 31, 2025

<b>Fund Balance - Governmental Fund</b>		<b>\$ 1,190,963</b>
Amounts reported for governmental activities in the statement of net position are different because:		
Prepaid expenses reported in governmental activities are not financial resources and therefore are not reported in the governmental fund.		
Prepaid insurance		40,509
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental fund.		
Governmental capital assets	\$ 2,034,441	
Less accumulated depreciation	<u>(1,398,726)</u>	635,715
Deferred outflows of resources used in governmental activities are not financial resources and are not reported in governmental funds.		
		45,524
Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental fund.		
Compensated absences payable	(4,103)	
Net pension liability	<u>(126,552)</u>	(130,655)
Deferred inflows or resources are not due and payable in the current period and are not reported in governmental funds.		
		<u>(58,451)</u>
<b>Net Position of Governmental Activities</b>		<b><u><u>\$ 1,723,605</u></u></b>

See notes to financial statements.

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

**Village East Fire Protection District**  
Houma, Louisiana

For the year ended December 31, 2025

	General Fund	Adjustments (Exhibit D)	Statement of Activities
<b>Revenues</b>			
Taxes	\$ 448,594	\$ -	\$ 448,594
Intergovernmental:			
State of Louisiana:			
State revenue sharing	9,714	-	9,714
Fire insurance tax	33,536	-	33,536
Supplemental pay	7,200	-	7,200
Miscellaneous:			
Interest	57,275	-	57,275
Other	18	-	18
	556,337	-	556,337
<b>Expenditures/Expenses</b>			
Current:			
General government:			
Ad valorem tax adjustments and deductions	7,287	-	7,287
Public safety:			
Personal services	250,640	(37,993)	212,647
Supplies and materials	13,137	-	13,137
Other services and charges	147,569	(4,683)	142,886
Repairs and maintenance	25,094	-	25,094
Depreciation	-	109,946	109,946
	436,440	67,270	503,710
Capital outlay	145,803	(145,803)	-
	589,530	(78,533)	510,997
<b>Deficit of Revenues Over Expenditures</b>	(33,193)	33,193	-
<b>Change in Net Position</b>	-	45,340	45,340
<b>Fund Balance/Net Position</b>			
Beginning of year	1,224,156	454,109	1,678,265
End of year	\$ 1,190,963	\$ 532,642	\$ 1,723,605

See notes to financial statements.

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

**Village East Fire Protection District**

Houma, Louisiana

For the year ended December 31, 2025

**Net Change in Fund Balance - Governmental Fund** \$ (33,193)

Amounts reported for governmental activities in the statement of activities are different because:

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

Capital outlay	\$ 145,803	
Depreciation expense	(109,946)	
Excess of capital outlay over depreciation expense		35,857

Some expenditures reported in the governmental fund do not require the use of current financial resources and are reported as expenses in the statement of activities.

Increase in prepaid insurance	4,683	
Decrease in compensated absences payable	427	
Pension expense	37,566	42,676

**Change in Net Position of Governmental Activities** \$ 45,340

See notes to financial statements.

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

**Village East Fire Protection District**  
Houma, Louisiana

For the year ended December 31, 2025

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Taxes	\$ 450,467	\$ 450,000	\$ 448,594	\$ (1,406)
Intergovernmental:				
State of Louisiana:				
State revenue sharing	10,000	10,000	9,714	(286)
Fire insurance tax	31,900	33,500	33,536	36
Supplemental pay	7,200	7,200	7,200	-
Miscellaneous:				
Interest	55,000	52,000	57,275	5,275
Other	1,000	2,360	18	(2,342)
	<u>555,567</u>	<u>555,060</u>	<u>556,337</u>	<u>1,277</u>
<b>Total revenues</b>				
<b>Expenditures</b>				
Current:				
General government:				
Ad valorem tax deductions and adjustments	<u>18,000</u>	<u>15,400</u>	<u>7,287</u>	<u>8,113</u>
Public safety:				
Personal services	263,700	271,800	250,640	21,160
Supplies and materials	24,500	17,500	13,137	4,363
Other services and charges	141,850	150,250	147,569	2,681
Repairs and maintenance	<u>18,070</u>	<u>26,300</u>	<u>25,094</u>	<u>1,206</u>
Total public safety	<u>448,120</u>	<u>465,850</u>	<u>436,440</u>	<u>29,410</u>
Capital outlay	<u>80,000</u>	<u>174,000</u>	<u>145,803</u>	<u>28,197</u>
<b>Total expenditures</b>	<u>546,120</u>	<u>655,250</u>	<u>589,530</u>	<u>65,720</u>
<b>Excess (Deficit) of Revenues Over Expenditures</b>	9,447	(100,190)	(33,193)	66,997
<b>Fund Balance</b>				
Beginning of year	<u>1,194,637</u>	<u>1,224,156</u>	<u>1,224,156</u>	<u>-</u>
End of year	<u>\$ 1,204,084</u>	<u>\$ 1,123,966</u>	<u>\$ 1,190,963</u>	<u>\$ 66,997</u>

See notes to financial statements.

**NOTES TO FINANCIAL STATEMENTS****Village East Fire Protection District**

Houma, Louisiana

December 31, 2025

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

The accounting policies of Village East Fire Protection District (the “District”) conform to accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of significant accounting policies:

**a) Reporting Entity**

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

GASB No. 14, *“The Financial Reporting Entity*, GASB No. 39, *Determining Whether Certain Organizations Are Component Units-an amendment of GASB Statement No. 14*”, and GASB No. 61, *“The Financial Reporting Entity: Omnibus and amendment of GASB Statements No. 14 and No. 34”* established the criterion for determining which component units should be considered part of the District for financial reporting purposes. The basic criteria are as follows:

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

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

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

**b) Basis of Presentation**

The District's financial statements consist of the government-wide statements on all activities of the District and the governmental fund financial statements.

**Government-Wide Financial Statements**

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

**Fund Financial Statements**

The daily accounts and operations of the District are organized on the basis of a fund and accounts groups, each of which is considered a separate accounting entity. The operations of the fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, equity, revenues and expenditures. Government resources are allocated to and accounted for in the fund based upon the purpose for which they are to be spent and the means by which spending activities are controlled. 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 and report all financial resources not accounted for and reported in another fund.

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

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

**Government-Wide Financial Statements**

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

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

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

**Fund Financial Statements**

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

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

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Allocations of cost such as depreciation are not recognized in the governmental funds.

**d) Use of Estimates**

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

**e) Operating Budgetary Data**

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

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

**e) Operating Budgetary Data (Continued)**

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

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

**f) Accounts Receivable**

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

**g) Investments**

Investments are stated at fair value as established by open market, except for the Louisiana Asset Management Pool (LAMP). LAMP is an external pool which is operated in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. Rule 2a7 allows SEC-registered mutual funds to use amortized cost rather than fair value to report net position to compute share prices if certain conditions are met.

Investments during the year consisted of LAMP and are reported as cash equivalents as of December 31, 2025.

**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.

**i) Capital Assets**

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

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

**i) Capital Assets (Continued)**

**Government-Wide Financial Statements**

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

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

Vehicles, machinery, and equipment	5 - 20 years
Building and improvements	5 - 25 years

**Fund Financial Statements**

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

**j) Deferred Outflows of Resources**

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

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

**k) Deferred Inflows of Resources**

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources until that time. The governmental fund reports unavailable revenues from property taxes as a deferred inflow of resources and the government-wide financial statements also report pension related deferred inflows of resources. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The District reports unavailable revenue when resources associated with imposed non-exchange revenue transactions are received or reported as a receivable before (a) the period for which property taxes are levied; or (b) the period when resources are required to be used or when use is first permitted for all other imposed non-exchange revenues in which the enabling legislation includes time requirements.

**l) Vacation and Sick Leave**

The District provides vacation benefits to all full-time employees, after one year of continuous employment. Unused vacation does not carry forward to the next year. Eligible employees earn two weeks of vacation after one year of employment, three weeks after five years and four weeks after ten years.

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

Compensatory time will be given to employees in lieu of overtime. The rate of accrual is one and a half hours per hour of overtime worked. Compensatory time accumulates until termination at which point it will be paid to the employee.

The liability for compensatory time is recorded as a long-term obligation in the government-wide statements. In the fund financial statements, government funds report only compensated absence liability payable from expendable available financial resources.

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

**m) Equity**

**Government-Wide Statements**

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

- a. Net investment in capital assets - consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets, if any. As of December 31, 2025 the District had no outstanding borrowings.
- b. Restricted net position - consists of assets and deferred outflow of resources less liabilities and deferred inflow of resources (net position) with constraints placed on the use either by (1) external groups such as creditors, grantors, contributions or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position - all other net position that do not meet the definition of “restricted” or “net investment in capital assets”.

When both restricted and unrestricted resources are available for use, it is the District’s policy to use restricted resources first, then unrestricted resources as they are needed. As of December 31, 2025 and for the year then ended, the District did not have or receive restricted resources.

**Fund Financial Statements**

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

- a. Non-spendable - amounts that cannot be spent either because they are in non-spendable form or because they are legally or contractually required to maintain intact.
- b. Restricted - amounts that can be spent only for specific purposes because of constitutional provisions, charter requirements or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.
- c. Committed - amounts that can be used only for specific purposes determined by a formal action of the District’s Board of Commissioners. Commitment may be established, modified, or rescinded only through resolutions approved by the District’s Board of Commissioners.

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

**m) Equity (Continued)**

**Fund Financial Statements (Continued)**

- d. Assigned - amounts that do not meet the criteria to be classified as either restricted or committed but are intended to be used for specific purposes. Assignment may be established, modified or rescinded by the Chairman of the Board of Commissioners or his representative.
- e. Unassigned - all other spendable amounts.

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

**n) New GASB Statements**

During the year ended December 31, 2025, the District implemented the following GASB Statements:

Statement No. 102, "*Certain Risk Disclosures*" defines concentrations and constraints. The Statement also requires governments to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact and whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. This Statement did not affect the financial statements for the year ended December 31, 2025.

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

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

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

**n) New GASB Statements (Continued)**

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

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

**Note 2 - DEPOSITS AND INVESTMENTS**

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

**Bank Deposits:**

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 market value of securities purchased and pledged to the political subdivision. Obligations of the United States, the State of Louisiana and certain political subdivisions are allowed as security for deposits. Obligations furnished as security must be held by the political subdivision or with an unaffiliated bank or trust company for the account of the political subdivision.

The year-end balances of deposits are as follows:

	Bank Balances	Reported Amount
Cash	\$ 132,899	\$ 132,899

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District has a written policy for custodial credit risk, which reflects state law. As of December 31, 2025, none of the District's bank balances of \$132,899 were exposed to custodial credit risk. These deposits were insured and collateralized with 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 LAMP.

As a means of limiting its exposure to fair value losses arising from interest rates, the District's investment policy emphasizes maintaining liquidity to match specific cash flows.

**Note 2 - DEPOSITS AND INVESTMENTS (Continued)**

**Investments: (Continued)**

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 principal secondly to maintain liquidity to meet operating requirements and finally to obtain the most favorable rate of return. The District's investment policy limits investments to those discussed earlier in this note. LAMP has a Standard & Poor's Rating of AAAM.

For an investment, custodial credit risk is the risk that in the event 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 the Securities and Exchange Commission.

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 2a7, 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. Accordingly, LAMP investments are restricted to securities issued, guaranteed or backed 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 60 days and consists of no securities with a 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 participant's shares, investments are valued at amortized cost. The fair value of participant's position is the same as the value of the pool shares. LAMP is designed to be highly liquid to give its participants immediate access to their account balances. Investments in LAMP as of December 31, 2025 amounted to \$1,091,484 and are considered cash equivalents for reporting purposes.

**Note 2 - DEPOSITS AND INVESTMENTS (Continued)**

**Investments: (Continued)**

**Reconciliation**

A reconciliation of deposits and investments to the financial statements is as follows:

Bank deposits	\$ 132,899
Investment in LAMP	<u>1,091,484</u>
Total cash and cash equivalents	<u><u>\$ 1,224,383</u></u>

**Note 3 - PROPERTY TAXES**

Property taxes are levied each November 1 on the assessed value listed as of the prior January 1 for all real property, merchandise and movable property located in the District. Assessed values are established by the Terrebonne Parish Assessor’s Office and the State Tax Commission at percentages of actual value as specified by Louisiana law. A statewide reevaluation of all property is required to be completed no less than every four years. The last statewide reevaluation was completed for the list of January 1, 2024. Taxes are due and payable December 31 with interest being charged on payments after January 1. Taxes can be paid through the tax sale date, which is the last Wednesday in June. Properties for which the taxes have not been paid are sold for the amount of the taxes. The tax rate for the year ended December 31, 2025 was \$15.00 per \$1,000 of assessed valuation on property within Village East Fire Protection District for the purpose of acquiring, constructing, maintaining and operating fire protection facilities within the District and paying the cost of obtaining water for the fire protection purposes, including fire hydrant rentals and services. As indicated in Note 1c, taxes levied November 1, 2025 are for budgeted expenditures in 2026 and will be recognized as revenues in 2026.

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

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

State of Louisiana - State revenue sharing	\$ 6,444
Terrebonne Parish Tax Collector - December 2025 collections remitted to the District in January 2026:	
Ad valorem taxes	316,245
State revenue sharing	<u>3,222</u>
Total	<u><u>\$ 325,911</u></u>

**Note 5 - CHANGES IN CAPITAL ASSETS**

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

	<u>Balance January 1, 2025</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance December 31, 2025</u>
Capital assets being depreciated:				
Vehicles, machinery, and equipment	\$ 1,593,329	\$ 2,802	\$ -	\$ 1,596,131
Building and improvements	<u>295,309</u>	<u>143,001</u>	<u>-</u>	<u>438,310</u>
Total capital assets being depreciated	<u>1,888,638</u>	<u>145,803</u>	<u>-</u>	<u>2,034,441</u>
Less accumulated depreciation for:				
Vehicles, machinery, and equipment	(1,187,309)	(85,168)	-	(1,272,477)
Building and improvements	<u>(101,471)</u>	<u>(24,778)</u>	<u>-</u>	<u>(126,249)</u>
Total accumulated depreciation	<u>(1,288,780)</u>	<u>(109,946)</u>	<u>-</u>	<u>(1,398,726)</u>
Total capital assets, net	<u><u>\$ 599,858</u></u>	<u><u>\$ 35,857</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 635,715</u></u>

In 2025, the District made various improvements to the truck room walls, ceilings, and concrete and purchased various equipment, including lighting equipment, a hot water heater, and parking area limestone.

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

Accounts payable and accrued expenditures as of December 31, 2025 consisted of the following:

	Governmental Activities
Accrued salaries and related payables	\$ 8,537

**Note 7 - LONG-TERM OBLIGATIONS**

Long-term obligations consist of accumulated earned and unpaid compensatory time and net pension liability. The following is a summary of changes in the long-term obligations as of December 31, 2025:

	Balance January 1, 2025	Increase	Decrease	Balance December 31, 2025
Accumulated compensatory time	\$ 4,530	\$ -	\$ 427	\$ 4,103
Net pension liability	173,429	-	46,877	126,552
Totals	\$ 177,959	\$ -	\$ 47,304	\$ 130,655

**Note 8 - SUPPLEMENTAL PAY**

In addition to the compensation paid by Village East Fire Protection District, employees who are firefighters may be eligible to receive supplemental pay. The amount of compensation is determined by state law and is revised periodically.

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

**Note 8 - SUPPLEMENTAL PAY (Continued)**

The period of service for computing additional compensation includes prior service of employees who have returned or who hereafter return to such service provided that service in any parish or fire protection district fire department shall be used in computing such prior service which includes full-time employees of a volunteer fire department.

As of December 31, 2025, the District has recognized revenue and expenditures of \$7,200 in salary supplements that the State of Louisiana has paid directly to the District's employees.

**Note 9 - 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; natural disasters for which the District carries commercial insurance. No settlements were made during the year that exceeded the District's insurance coverage.

**Note 10 - DEFINED BENEFIT PENSION PLAN**

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

**Eligibility** - Membership in the System is a condition of employment for any full-time firefighter employed by any municipality, parish, or fire protection district in the state in addition to System employees. 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 from there 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 - DEFINED BENEFIT PENSION PLAN (Continued)**

**Benefits Provided** - The System provides retirement, deferred and disability benefits, survivor's benefits and cost of living adjustments to plan members and beneficiaries. Benefit provisions are authorized within Act 434 of the 1979 and amended by Louisiana Revised Statutes 11:2251 through 11:2272. Annual benefits to which retired members are entitled are equal to 3.33% of their final average compensation based on the thirty-six consecutive months of highest pay multiplied by years of service, not to exceed 100%. The State Legislature authorized the System to establish a 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 DROP for up to 36 months. When a member enters DROP their status changes from active to retired even though they continue to work and draw their salary. Upon commencement of participation in DROP, employer and employee contributions to the System cease. The monthly retirement benefit that would have been payable is paid into the DROP 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 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.

**Contributions** - Employer contributions are actuarially determined each year. For the year ended June 30, 2025, the employer contribution rate for the period January 1, 2025 through June 30, 2025 was 33.25%, and it was also 33.25% for the period July 1, 2025 through December 31, 2025. Plan members above the poverty line are required to contribute 10% of their annual covered payroll and 8.00% for those below the poverty line.

The District's contributions to the System for the year ending December 31, 2025 were \$30,758, equal to the required contributions for the year.

**Pension Liabilities** - As of December 31, 2025, the District reported a net pension liability of \$126,552 for its proportionate share of the System's net pension liability. The net pension liability was measured as of June 30, 2025 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of the contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. As of December 31, 2025, the District's proportion was 0.030045%, which was a decrease of 0.000756% from the prior year.

**Pension Expense** - For the year ended December 31, 2025, the District recognized pension expense of \$6,808.

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

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 16,206	\$ (2,283)
Changes in proportions	8,163	(32,519)
Changes in assumptions	5,770	-
Net difference between projected and actual earnings on pension plan investments	-	(23,649)
Contributions subsequent to the measurement date	<u>15,385</u>	<u>-</u>
Totals	<u><u>\$45,524</u></u>	<u><u>\$(58,451)</u></u>

The District reported \$15,385 as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the year ending December 31, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>December 31,</u>	<u>Amount</u>
2026	\$ (1,461)
2027	(18,545)
2028	(7,815)
2029	(4,027)
2030	2,744
2031	<u>792</u>
Total	<u><u>\$(28,312)</u></u>

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

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

<b>Valuation Date</b>	June 30, 2025
<b>Actuarial Cost Method for Financial Reporting</b>	Entry Age Normal
<b>Expected Remaining Service Lives</b>	7 years, closed period
<b>Investment Rate of Return</b>	6.90% per annum (net of investment expenses, including inflation).
<b>Inflation Rate</b>	2.50% per annum
<b>Salary Increases</b>	14.50% in the first two years of service and 5.00% with three or more years of service.
<b>Cost-of-Living Adjustments</b>	For the purpose of determining the present value of benefits, COLAs were deemed not to be substantively automatic and only those previously granted were included.

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.

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

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

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

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

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

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

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

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

	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.9%)
District’s proportionate share of the net pension liability	\$244,185	\$126,552	\$28,494

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

**Note 11 - COMPENSATION OF BOARD MEMBERS**

No compensation was paid to board members for the year ended December 31, 2025.

**Note 12 - STATE OF LOUISIANA TAX ABATEMENTS**

The District’s ad valorem tax revenues were reduced by \$811 under agreements entered into by the State of Louisiana.

**Note 13 - SUBSEQUENT EVENTS**

Management evaluates events occurring subsequent to the date of financial statements in determining the accounting for and disclosure of transactions and events that affect the financial statements. Subsequent events have been evaluated through April 6, 2026, which is the date the financial statements were available to be issued.

**REQUIRED SUPPLEMENTARY INFORMATION**

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

**Village East Fire Protection District  
Houma, Louisiana**

December 31, 2025

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
District's proportion of the net pension liability	<u>0.030045%</u>	<u>0.030801%</u>	<u>0.029910%</u>	<u>0.030428%</u>	<u>0.028267%</u>	<u>0.039678%</u>	<u>0.049890%</u>	<u>0.049780%</u>	<u>0.049794%</u>	<u>0.023279%</u>
District's proportionate share of the net pension liability	<u>\$126,552</u>	<u>\$173,429</u>	<u>\$195,217</u>	<u>\$214,557</u>	<u>\$100,174</u>	<u>\$275,030</u>	<u>\$312,407</u>	<u>\$286,338</u>	<u>\$285,412</u>	<u>\$152,266</u>
District's covered-employee payroll	<u>\$92,729</u>	<u>\$88,511</u>	<u>\$80,393</u>	<u>\$78,284</u>	<u>\$76,915</u>	<u>\$98,783</u>	<u>\$120,576</u>	<u>\$118,481</u>	<u>\$116,262</u>	<u>\$52,487</u>
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	<u>136.48%</u>	<u>195.94%</u>	<u>242.83%</u>	<u>274.08%</u>	<u>130.24%</u>	<u>278.42%</u>	<u>259.10%</u>	<u>241.67%</u>	<u>245.49%</u>	<u>290.10%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>86.96%</u>	<u>81.68%</u>	<u>77.69%</u>	<u>74.68%</u>	<u>86.78%</u>	<u>72.61%</u>	<u>73.96%</u>	<u>74.76%</u>	<u>73.55%</u>	<u>68.16%</u>

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

**SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS**

**Village East Fire Protection District**

Houma, Louisiana

December 31, 2025

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required contributions	\$ 30,758	\$ 30,627	\$ 27,745	\$ 26,561	\$ 25,616	\$ 22,879	\$ 32,940	\$ 31,688	\$ 30,332	\$ 28,890
Contributions in relation to the contractually required contribution	<u>(30,758)</u>	<u>(30,627)</u>	<u>(27,745)</u>	<u>(26,561)</u>	<u>(25,616)</u>	<u>(22,879)</u>	<u>(32,940)</u>	<u>(31,688)</u>	<u>(30,332)</u>	<u>(28,890)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	<u>\$ 92,505</u>	<u>\$ 92,113</u>	<u>\$ 83,443</u>	<u>\$ 79,289</u>	<u>\$ 77,622</u>	<u>\$ 76,262</u>	<u>\$ 121,439</u>	<u>\$ 119,578</u>	<u>\$ 117,218</u>	<u>\$ 110,259</u>
Contributions as a percentage of covered-employee payroll	<u>33.25%</u>	<u>33.25%</u>	<u>33.25%</u>	<u>33.50%</u>	<u>33.00%</u>	<u>30.00%</u>	<u>27.12%</u>	<u>26.50%</u>	<u>25.88%</u>	<u>26.20%</u>

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

**SUPPLEMENTARY INFORMATION**

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

**Village East Fire Protection District**

Houma, Louisiana

December 31, 2025

**Agency Head Name:** Armond Triche, Fire Chief

**Purpose**

Salary	\$ 98,151
Benefits - insurance	20,656
Benefits - retirement	30,758
Benefit - other	-
Car allowance	-
Vehicle provided by government	-
Per diem	-
Reimbursements	-
Travel	-
Registration fees	100
Conference travel	-
Continuing professional education fees	-
Housing	-
Unvouchered expenses	-
Meals	-
	<hr/>
	<b>\$ 149,665</b>

Note:

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

**SPECIAL REPORTS OF CERTIFIED PUBLIC ACCOUNTANTS**

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

To the Board of Commissioners,  
Village East 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 the General Fund of Village East Fire Protection District (the “District”), a component unit of Terrebonne Parish Consolidated Government, State of Louisiana, as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the District’s basic financial statements, and have issued our report thereon dated April 6, 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 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 District’s internal control. Accordingly, we do not express an opinion on the effectiveness of the District’s internal control.

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

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

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

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, 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.



Certified Public Accountants.

Houma, Louisiana,  
April 6, 2026.

## SCHEDULE OF FINDINGS AND RESPONSES

### Village East Fire Protection District Houma, Louisiana

For the year ended December 31, 2025

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

##### a) Financial Statements

Type of auditor's report issued: unmodified

Internal control over financial reporting:

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

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

##### b) Federal Awards

Village East Fire Protection District did not expend federal awards in excess of \$1,000,000 during the year ended December 31, 2025 and therefore is exempt from the audit requirements under the *Uniform Guidance*.

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

##### Internal Control Over Financial Reporting

There were no internal control over financial reporting findings required to be reported for the year ended December 31, 2025.

##### Compliance and Other Matters

There were no compliance findings or other matters required to be reported for the year ended December 31, 2025.

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

Not applicable.

**REPORTS BY MANAGEMENT**

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

## **Village East Fire Protection District Houma, Louisiana**

For the year ended December 31, 2025

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

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

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

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

#### **Compliance and Other Matters**

There were no compliance findings or other matters required to be reported for the year ended December 31, 2024.

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

Village East Fire Protection District did not expend federal awards in excess of \$750,000 during the year ended December 31, 2024 and therefore is exempt from the audit requirements under the *Uniform Guidance*.

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

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

# **MANAGEMENT'S CORRECTIVE ACTION PLAN**

## **Village East Fire Protection District Houma, Louisiana**

For the year ended December 31, 2025

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

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

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

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

#### **Compliance and Other Matters**

There were no compliance findings or other matters required to be reported for the year ended December 31, 2025.

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

Village East Fire Protection District did not expend federal awards in excess of \$1,000,000 during the year ended December 31, 2025 and therefore is exempt from the audit requirements under the *Uniform Guidance*.

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

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

**STATEWIDE AGREED-UPON PROCEDURES**

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

To the Board of Commissioners,  
Village East Fire Protection District,  
Houma, Louisiana.

We have performed the procedures described in Schedule 2 on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor’s (LLA) Statewide Agreed-Upon Procedures (SAUP) for the fiscal period January 1, 2025 through December 31, 2025. Village East Fire Protection District (the “District”) management is responsible for those C/C areas identified in the SAUPs.

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

The procedures and associated findings are described in Schedule 2.

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

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

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

*Bourgeois Bennett, L.L.C.*

Certified Public Accountants

Houma, Louisiana,  
April 6, 2026.

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

**Village East Fire Protection District**  
Houma, Louisiana

For the year ended December 31, 2025

The required procedures and our findings are as follows:

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

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

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

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

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

- x. **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 for information technology disaster recovery/business continuity and found it to address all the functions listed above.

Exceptions: There were no exceptions noted.

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

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

Exceptions: There were no exceptions noted.

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

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

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

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

Exceptions: There were no exceptions noted.

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

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

Exceptions: There were no exceptions noted.

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

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

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

Exceptions: There were no exceptions noted.

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

Performance: Obtained and read the written minutes of the Board meetings. The District did not have any findings in the prior year's audit report.

Exceptions: There were no exceptions noted.

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

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

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

Exceptions: There were no exceptions noted.

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

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

Exceptions: There were no exceptions noted.

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

Performance: Inspected the District's documentation for the December bank reconciliation for the 2 bank accounts selected.

Exceptions: There were no exceptions noted.

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

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

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

We noted no items outstanding for greater than 12 months from the statement closing date.

Exceptions: There were no exceptions noted.

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

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

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

Exceptions: There were no exceptions noted.

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

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

Exceptions: There were no exceptions noted.

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

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

Exceptions: There were no exceptions noted.

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

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

Exceptions: There were no exceptions noted.

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

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

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

Exceptions: There were no exceptions noted.

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

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

Exceptions: There were no exceptions noted.

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

Performance: Obtained a copy of the bond and a listing of all employees covered by the bond. The policy was in force during the fiscal period.

Exceptions: There were no exceptions noted.

D. Randomly select 2 deposit dates for each of the 5 bank accounts selected for Bank Reconciliations procedure #3A (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternatively, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and

i. Observe that receipts are sequentially pre-numbered.

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

Exceptions: There were no exceptions noted.

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

Performance: Traced supporting documentation to the deposit slip.

Exceptions: There were no exceptions noted.

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

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

Exceptions: There were no exceptions noted.

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

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

Performance: Observed that the deposits tested were made within one business day of receipt.

Exceptions: There were no exceptions noted.

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

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

Exceptions: There were no exceptions noted.

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

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

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

Exceptions: There were no exceptions noted.

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

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

Exceptions: There were no exceptions noted.

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

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

Exceptions: There were no exceptions noted.

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

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

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

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

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

Exceptions: There were no exceptions noted.

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

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

Exceptions: There were no exceptions noted.

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

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

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

Exceptions: There were no exceptions noted.

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

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

- i. Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., itemized receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved) by someone other than the authorized card holder (those instances requiring such approval that may constrain the legal authority of certain public officials, such as the mayor of a Lawrason Act municipality, should not be reported); and  
Performance: Observed evidence that the statement and supporting documentation was reviewed and approved, in writing, by someone other than the authorized card holder.  
Exceptions: There were no exceptions noted.
  - ii. Observe that finance charges and late fees were not assessed on the selected statements.  
Performance: Observed that finance charges and/or late fees were not assessed on the selected statements.  
Exceptions: There were no exceptions noted.
- C. Using the monthly statements or combined statements selected under procedure #6B, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (e.g., each card should have 10 transactions subject to inspection). For each transaction, report whether the transaction is supported by:
- i. An original itemized receipt that identifies precisely what was purchased.  
Performance: Observed that the transactions from the monthly statements were supported by original itemized receipts that identifies precisely what was purchased.  
Exceptions: There were no exceptions noted.
  - ii. Written documentation of the business/public purpose.  
Performance: Observed that the transactions from the monthly statements were supported with written documentation of the business/public purpose.  
Exceptions: There were no exceptions noted.
  - iii. Documentation of the individuals participating in meals (for meal charges only).  
Performance: Observed transactions for any meal charges and documentation of the individuals participating in meals.  
Exceptions: There were no exceptions noted.

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

D. Using the list of terminated employees obtained in Payroll and Personnel procedure #9C identify those individuals who had access to cards and randomly select 5 terminated employees (or all terminated employees with card access if less than 5) from this population. Observe evidence that the cards have been deactivated for these terminated employees. In cases where a card is shared by multiple users, obtain evidence that the terminated employees' authorization has been removed.

Performance: No terminated employees had access to cards.

Exceptions: There were no exceptions noted.

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

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

Performance: Obtained general ledger for travel and travel-related expense reimbursements. No travel-related expense reimbursements were noted.

Exceptions: There were no exceptions noted.

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

Performance: No travel-related expense reimbursements were noted.

Exceptions: There were no exceptions noted.

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

Performance: No travel-related expense reimbursements were noted.

Exceptions: There were no exceptions noted.

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

Performance: No travel-related expense reimbursements were noted.

Exceptions: There were no exceptions noted.

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

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

Performance: No travel-related expense reimbursements were noted.

Exceptions: There were no exceptions noted.

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

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

Performance: Obtained 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 and selected contracts for testing. Obtained management's representation that the listing is complete.

Exceptions: There were no exceptions noted.

- i. Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.

Performance: Observed that the contracts selected were bid in accordance with the Louisiana Public Bid Law.

Exceptions: There were no exceptions noted.

- ii. Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter).

Performance: Inspected board meeting minutes and confirmed the board approved contracts requiring board approval.

Exceptions: There were no exceptions noted.

- iii. If the contract was amended (e.g., change order), observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, the documented approval).

Performance: Observed the contracts selected and noted no contract amendments.

Exceptions: There were no exceptions noted.

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

- iv. Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

Performance: Inspected payments for each contract, obtained supporting invoices, agreed invoices to the contract terms, and observed invoices related to the payments agreed to the terms and conditions of the contract.

Exceptions: There were no exceptions noted.

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

- A. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

Performance: Obtained the listing of employees and their related salaries from management and management's representations that the listing is complete.

Exceptions: There were no exceptions noted.

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

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

Performance: Inspected all daily attendance and leave records for proper documentation.

Exceptions: There were no exceptions noted.

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

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

Exceptions: There were no exceptions noted.

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

Performance: Inspected any leave accrued or taken during the pay period was reflected in the cumulative leave records. No employees were eligible for leave; therefore, no leave was taken or accrued during the pay period.

Exceptions: There were no exceptions noted.

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

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

Performance: Inspected and agreed the rate paid to employees to the pay rate maintained on the master spreadsheet.

Exceptions: There were no exceptions noted.

- C. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select 2 employees or officials and obtain related documentation of the hours and pay rates used in management's termination payment calculations and the District's policy on termination payments. Agree the hours to the employee's or official's cumulative leave records, agree the pay rates to the employee's or official's authorized pay rates in the employee's or official's personnel files, and agree the termination payment to the District's policy.

Performance: Inquired of management of those employees/officials that terminated during the fiscal period and management's representation that the list is complete. Agreed the hours to the employee's cumulative leave records, agreed the pay rate to the employee's authorized rate in the employee's personnel file and agreed the termination payment to the District's policy.

Exceptions: There were no exceptions noted.

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

Performance: Inspected payroll reporting forms to confirm that all payments were submitted to the applicable agencies by the required deadlines and obtained management's representation of the timely filing.

Exceptions: There were no exceptions noted.

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

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

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

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

Exceptions: There were no exceptions noted.

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

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

Performance: Observed documentation which demonstrates that each employee was notified of any changes to the District's ethics policy during the fiscal period.

Exceptions: There were no exceptions noted.

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

Performance: We inquired and confirmed that the District appointed an ethics designee.

Exceptions: There were no exceptions noted.

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

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

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

Exceptions: There were no exceptions noted.

- B. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

Performance: Inquired of management regarding a list of bonds/notes outstanding at the end of the fiscal period; none were noted.

Exceptions: There were no exceptions noted.

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

- A. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the District reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the District is domiciled as required by R.S. 24:523.

Performance: Inquired of management of any misappropriations of public funds and assets during the fiscal period and management's representation in a separate letter.

None were noted.

Exceptions: There were no exceptions noted.

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

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

Performance: Observed fraud notice posted on the premises concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

Exceptions: There were no exceptions noted.

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

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

- A. Obtain and inspect the District's most recent documentation that it has backed up its critical data (if there is no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the District's local server or network, and (c) was encrypted.

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

- B. Obtain and inspect the District's most recent documentation that it has tested/verified that its backups can be restored (if there is no written documentation, then inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.

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

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

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

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

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

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

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

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

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

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

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

Performance: Observed sexual harassment training documentation for the employees selected.

Exceptions: There were no exceptions noted.

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

Performance: Observed the sexual harassment policy and complaint procedure on the District's premises.

Exceptions: There were no exceptions noted.

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

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

Exceptions: There was an exception noted due to the report being dated after February 1.

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

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

Exceptions: There were no exceptions noted.

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

- ii. Number of sexual harassment complaints received by the District.  
Performance: Obtained the annual sexual harassment report to observe it contained the above requirement.  
Exceptions: There were no exceptions noted.
- iii. Number of complaints which resulted in a finding that sexual harassment occurred.  
Performance: Obtained the annual sexual harassment report to observe it contained the above requirement.  
Exceptions: There were no exceptions noted.
- iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action.  
Performance: Obtained the annual sexual harassment report to observe it contained the above requirement.  
Exceptions: There were no exceptions noted.
- v. Amount of time it took to resolve each complaint.  
Performance: Obtained the annual sexual harassment report to observe it contained the above requirement.  
Exceptions: There were no exceptions noted.

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

- 14)C Management will ensure the annual sexual harassment report is dated on or before February 1<sup>st</sup> of the subsequent year.