EASTOVER NEIGHBORHOOD IMPROVEMENT AND SECURITY DISTRICT

FINANCIAL AUDIT
TOGETHER WITH
INDEPENDENT AUDITOR'S REPORT

FOR THE YEAR ENDED DECEMBER 31, 2025

Sean M. Bruno
Certified Public Accountants, LLC

TABLE OF CONTENTS

TABLE OF CONTENTS, CONTINUED

SUPPLEMENTAL INFORMATION

Sean M. Bruno
Certified Public Accountants, LLC

Member
American Institute of
Certified Public Accountants
Society of Louisiana
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

The Board of Commissioners
Eastover Neighborhood Improvement
and Security District
New Orleans, Louisiana

Report on the Audit of the Financial Statements

Opinions

I have audited the accompanying financial statements of the governmental activities, and the major fund of the **Eastover Neighborhood Improvement and Security District, (the District)**, 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 my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of **the District** as of December 31, 2025, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Governmental Accounting Standards,* issued by the Comptroller General of the United States. My responsibilities under those accounting standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of **the District** and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements related to my audits. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

6100 Elysian Fields Avenue – Suite 200 New Orleans, LA 70122
(504) 241-3411 Fax (504) 241-3412

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about **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.

Auditors' Responsibilities for the Audit of the Financial Statements

My 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 auditors' report that includes my opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

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

- 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.

Auditors' Responsibilities for the Audit of the Financial Statements, continued

- 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 my judgement, 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.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 5 through 10 and 24 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in a appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

My audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprises **the District's** basic financial statements. The Schedule of Compensation, Benefits, and Other Payments to Agency Head on page 26 is presented for purposes of additional analysis and is not a required part of the basic financial statements. The Schedule of Compensation, Benefits, and Other Payments to Agency Head is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic

INDEPENDENT AUDITOR'S REPORT
(CONTINUED)

Supplementary Information, continued

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 my opinion, the Schedule of Compensation, Benefits and Other Payments to Agency Head is fairly stated in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and my auditor's report thereon. My opinions on the basic financial statements do not cover the other information, and I do not express an opinion or any form assurance thereon.

In connection with my audit of the basic financial statements, my responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, I conclude that an uncorrected material misstatement of the other information exists, I am required to describe it in my report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, I have also issued my report dated June 20, 2026, on my consideration of **the District's** internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of my 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.

Sean M. Bruno

SEAN M. BRUNO
CERTIFIED PUBLIC ACCOUNTANTS, LLC
New Orleans, Louisiana
June 20, 2026

The **Eastover Neighborhood Improvement and Security District (the District)** Management's Discussion and Analysis (MD&A) for **the District** is designed to:

- assist the reader in focusing on significant financial issues;
- provide an overview of **the District's** financial activities;
- identify changes in **the District's** financial position and results of operations and assist the user in determining whether financial position has improved or deteriorated as a result of the year's operations;
- identify any significant variations from the original, amended, and final budget amounts and include any currently known reasons for any variations that are expected to have a significant effect on future services or liquidity; and
- identify other significant issues.

The information contained herein should be read in conjunction with the financial statements, notes thereto and other required supplemental information taken as a whole. This is a requirement of the Governmental Accounting Standards Board Statement No. 34 (GASB 34) "Basic financial Statements – and Management's Discussion and Analysis – for State and Local Governments" and is intended to provide financial results for the fiscal year ended December 31, 2025.

The MD&A is required supplementary information that introduces the reader to the general-purpose financial statements and provides an overview of **the District's** financial activities. **The District's** general-purpose financial statements consist of the following components: **the District's** statement of net position, statement of activities and cash flows and the notes to financial statements.

OVERVIEW OF THE FINANCIAL STATEMENTS

The Management's Discussion and Analysis introduces **the District's** basic financial statements. The basic financial statements include: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. **The District** also includes in this report additional supplemental information.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The District's includes two government wide financial statements. These statements provide both long-term and short-term information about **the District**'s overall financial status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in accrual accounting and elimination or reclassification of activities between funds.

The first of these government-wide statements is the Statement of Net Position. This is the government-wide statement of position presenting information that includes all of **the District's** assets and liabilities, with the difference reported as net position. Over time, increases and decreases in net position may serve as a useful indicator of whether the financial position of **the District** as a whole is improving or deteriorating.

The second government-wide statement is the Statement of Activities, which reports how **the District's** net position changed during the current fiscal year. All current revenues and expenses are included regardless of when cash is received or paid.

The government-wide financial statements are presented on pages 11 and 12 of this report.

FUND FINANCIAL STATEMENTS

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. **The District** uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on **the District's** most significant funds rather than **the District** as a whole.

Governmental funds are reported in the fund financial statements and encompass the same function reported as governmental activities in the government-wide financial statements. However, the focus is very different with fund statements providing a distinctive view of **the District's** governmental funds, including object classifications. These statements report short-term fiscal accountability focusing on the use of spendable resources and balances of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the near-term.

FUND FINANCIAL STATEMENTS, CONTINUED

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. Both the governmental fund balance sheet and the governmental fund operating statement provide a reconciliation to assist in understanding the differences between these two perspectives.

The basic governmental fund financial statements are presented on pages 13 and 15 of this report.

NOTES TO THE BASIC FINANCIAL STATEMENTS

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements begin on page 17 of this report.

OTHER INFORMATION

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning **the District's** budgetary comparison schedule for the general fund. Required supplemental information begin on page 24 of this report.

FINANCIAL ANALYSIS OF THE DISTRICT

Summary of 2025 Assets

The District's total assets for 2025 totaled $803,416 which consists of cash of $243,159 and receivables due from resident assessments of $560,257. Total assets of **the District** increased by $143,730.

Summary of 2025 Revenues

For the year ended December 31, 2025, **the District** earned $822,068 in revenues. This amount included $822,064 from assessment and fees.

Summary of 2025 Expenses

The District has the clear objective of providing security, beautification, community awareness, community gatherings and other community activities. Expenditures for the year ended December 31, 2025 totaled $688,328, which was an increase of $83,636.

RESULTS OF OPERATIONS

Operating capital for 2025 was received from assessments on property owners of **the District** as defined by Act 323 by the Louisiana Legislature. Each developed parcel owner is assessed a $2,152 fee per year which is collected by the City of New Orleans and remitted to **the District.** The City of New Orleans charges a 1% collection fee, which is deducted prior to remittance. **The District** also earns interest income on funds on deposit.

The District utilizes the assessments to maintain and provide landscaping to the community, providing for personnel to monitor the front gate entrance to the subdivision, and to provide for all other administrative functions. Surpluses from operations are retained by **the District** for future use within the subdivision.

SUMMARY OF NET POSITON
AS OF DECEMBER 31, 2025 AND 2024

	2025	2024
Current and other assets	$ 803,416	$ 659,686
Total assets	803,416	659,686
Current liabilities	14,440	4,450
Total liabilities	14,440	4,450
Net position:		
Restricted	788,976	665,236
Total net position	$ 788,976	$ 655,236

All of **the District's** net position is restricted for neighborhood improvements and security within **the District.**

CHANGE IN NET POSITION
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025	2024
Revenues:		
Assessment and fees	$ 822,064	$ 822,064
Interest	4	4
Miscellaneous	-0-	-0-
Total revenues	822,068	822,068
Expenses:		
Neighborhood improvement and security	688,328	604,692
Total expenses	688,328	604,692
(Decrease) increase in net position	$ 133,740	$ 217,376

BUDGET VS. ACTUAL

The District adopts an annual operating budget including proposed expenditures and anticipated parcel fee collections.

The District's actual collections of $760,993 were more than the budget of $662,107 by $98,886, a variance of approximately 15%. **The District's** actual expenditures of $688,328 were more than the budget of $660,421 by $27,907 variance of approximately 4.2%.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The Board expects to collect more of the parcel fees in 2026 and expects expenses to remain constant, as such 2026 revenues will be budgeted at the amount expected to be collected and expenditures will be consistent with amounts budgeted in 2025.

The Board of Commissioners of **the District** has strictly adhered to all Louisiana Ethics Laws and Parliamentary Procedures during 2025 when conducting **the District's** business.

CONTACTING EASTOVER NEIGHBORHOOD IMPROVEMENT AND SECURITY DISTRICT

This financial report is designed to provide management, the City of New Orleans and the State of Louisiana, and other interested parties with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, please contact Mr. Mark Moody of the **Eastover Neighborhood Improvement and Security District** at (504) 245-5074.

		Governmental Activities
ASSETS		
Cash and Cash Equivalents	$	243,159
Accounts Receivable, net of Allowance of $977,110 (NOTE 6)		560,257
Fixed Assets, net of Accumulated Depreciation of $13,465 (NOTE 5)		-
TOTAL ASSETS		803,416
LIABILITIES AND NET POSITION		
Accounts Payable		14,440
Total Liabilities		14,440
Net Position Restricted for Improvement and Security		788,976
TOTAL NET POSITION		788,976
TOTAL LIABILITIES AND NET POSITION	$	803,416

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

EASTOVER NEIGHBORHOOD IMPROVEMENT AND SECURITY DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2025

Function/Program	Expenses	Program Revenues Charges for Services	Net (Expense) Revenues and Charges for Net Position
Governmental activities:			
Neighborhood improvement and security	$ 688,328	$ 822,064	$ 133,736
		General revenues:	
		Interest income	4
		Total general revenue	4
		Change in net position	133,740
		Net position - beginning of year	655,236
		Net position - end of year	$ 788,976

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

EASTOVER NEIGHBORHOOD IMPROVEMENT AND SECURITY DISTRICT
BALANCE SHEET, GOVERNMENTAL FUND
DECEMBER 31, 2025

		General Fund
ASSETS		
Cash and Cash Equivalents	$	243,159
Accounts Receivable, net of Allowance of $977,110 (NOTE 6)		560,257
TOTAL ASSETS	$	803,416

LIABILITIES AND FUND BALANCE		
Accounts Payable	$	14,440
Total Liabilities		14,440
Fund Balance		788,976
TOTAL FUND BALANCE		788,976
TOTAL LIABILITIES AND FUND BALANCE	$	803,416

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

EASTOVER NEIGHBORHOOD IMPROVEMENT AND SECURITY DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2025

Fund balance - governmental fund	$ 788,976
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activites are not financial resources, and, therefore are not reported in the funds. The cost of the assets is $13,465 and accumulated depreciation is $13,465.	-
Net position of governmental activities	$ 788,976

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

EASTOVER NEIGHBORHOOD IMPROVEMENT AND SECURITY DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - GOVERNMENTAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2025

	General Fund
REVENUES	
Assessment and fees	$ 822,064
Interest income	4
Total revenues	822,068
EXPENDITURES	
Payroll expense	21,681
Management fee	85,175
Security	291,645
Repairs & maintenance	217,359
Utilities	30,646
Professional services	23,600
Accounting software	1,168
Bank fees	12
Supplies expense	1,035
City processing fee	7,664
Telephone/Internet/Technology	6,567
Postage	541
Total expenditures	687,093
Net Change in Fund Balance	134,975
Fund Balance - Beginning of year	654,001
Fund Balance - End of year	$ 788,976

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

EASTOVER NEIGHBORHOOD IMPROVEMENT AND SECURITY DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE OF THE GOVERNMENTAL FUND TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2025

Net change in fund balance - governmental fund	$ 134,975
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 some assets is allocated over their estimated useful lives as depreciation expense.	
Depreciation Expense	(1,235)
Change in net position of governmental activities	$ 133,740

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

NOTE 1 - ORGANIZATION:

Eastover Neighborhood Improvement District (the District) was created as an improvement district of the State of Louisiana, pursuant to House Bill No. 323 of the 2013 Regular session of the Louisiana State Legislature. Whereas, an election was held on November 16, 2013, at which a majority of the voters of **the District** who voted on the issue, voted to impose a parcel fee on an annual basis, not to exceed the maximum fee allowed. The board set the fee to be collected at $1,652. On November 18, 2023, the residents of **the District** approved an increase to $2,152 annually. House Bill No. 323 authorized the New Orleans City Council to levy and collect the fee on each parcel of ground located within **the District,** which comprises the Eastover subdivision. The fees are to be collected by the City of New Orleans. The board has earmarked the fee to be utilized to support the activities of **the District**, to include but not be limited to security, beautification, community awareness, community gatherings, and any other community activities deemed appropriate by the board.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Basis Presentation

The accompanying general-purpose financial statements of **the District** have been prepared in conformity with accounting principles generally accepted in the United States 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 more significant of the government's accounting principles are described below.

Basic Financial Statements – Government-Wide Statements

The District uses the government-wide (reporting Eastover as a whole) financial statements. The government-wide financial statements categorize primary activities as either governmental or business type. There were no activities of **the District** categorized as a business type activity.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED:

Basic Financial Statements, Continued

The government-wide revenues, expenditures and changes in net position report both the gross and net cost of **the District's** function. The revenues, expenditures and changes in net position reduce gross expenditures by related program revenues, operating and capital grants. Program revenues must be directly associated with the function. The net costs, by function, are normally covered by general revenue, interest and investment earnings, etc. **The District** does not allocate indirect costs.

The government-wide focus is more on the sustainability of **the District** as an entity and the change in **the District's** net assets resulting from the current year's activities.

Measurement Focus, Basis of Accounting,
and Financial Statement Presentation

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. Assessment fees are recognized as revenues in the year for which they are levied.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible with the current period or soon enough to pay liabilities of the current period. For this purpose, the government considers revenue to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

The District reports the general fund only. The general fund is the entity's primary operating fund. It accounts for all financial resources of the entity.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED:

Equity Classifications

In the government-wide financial statements, equity is classified as net position and displayed in three components:

a. Invested in capital, net of related debt – consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any debt that is attributable to the acquisition, construction, or improvement of those assets.

b. Restricted net position – consists of assets that are restricted by **the District's** creditors, by the state enabling legislation, by grantors, and by other contributors.

c. Unrestricted net position – consists of the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that do not meet the definition of "restricted" or "invested in capital assets", net of related debt.

Governmental fund equity is classified as fund balance. In the governmental fund financial statements, fund balances are classified as follows:

a. Nonspendable – amounts that cannot be spent either because they are in a nonspendable form or because they are legally or contractually required to be maintained intact.
b. Restricted – amounts that can be spent only for specific purposes because of state, local or federal awards or externally imposed conditions by grantors or creditors.
c. Committed – amounts that can be used for specific purposes determined by formal action by an ordinance of resolution.
d. Assigned -- amounts that are designated by the formal action of the government's highest level of decision making authority.
e. Unassigned – amounts not included in other classifications.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED:

Explanation of certain differences and the related reconciliations between the fund financial statements and government-wide financial statements are presented on pages 14 and 16.

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 the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the period. Actual results could differ from those estimates.

Fixed Assets

Fixed assets that exceed $1,000 are recorded at cost (or fair market value for donated assets) and are depreciated using the straight-line method over the estimated useful lives of the related assets, which vary from five to ten years.

NOTE 3 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY:

Budget

In accordance with the Louisiana Local Government Budget Act, the procedures used by **the District** in establishing the budgetary data reflected in the financial statements include public notices of the proposed budget, public inspections, and public hearings. **The District** then legally adopts the budget. Budgeted amounts for the General Fund included in the accompanying statements are as originally adopted by **the District** for the year 2025.

NOTE 4 - CASH AND CASH EQUIVALENTS:

Cash and deposits are categorized into three categories of credit risk.

Category 1 includes deposits covered by federal depository insurance or by collateral held by **the District** or its agent, in **the District's** name.

Category 2 includes deposits covered by collateral held by the pledging financial institution's trust department, or its agent in the **District's** name.

Category 3 includes deposits covered by collateral held by the pledging financial institution, or its trust department or agent but not in **the District's** name, and deposits which are uninsured or uncollateralized.

The District maintains cash accounts at local financial institutions. The Federal Deposit Insurance Corporation (FDIC) insures accounts at each institution up to $250,000. **The District** has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk to cash. **The District's** cash is insured within the FDIC limits.

NOTE 5 - FIXED ASSETS:

Changes in the net book value of equipment costs during the year ended December 31, 2025 were as follows:

Description	Balance January 1, 2025	Additions/ (Deletions)	Balance December 31, 2025
Equipment	$ 13,465	$ -0-	$ 13,465
Accumulated Depreciation	(12,230)	(1,235)	(13,465)
Total	$ 1,235	$ (1,235)	$ -0-

NOTE 6 - RECEIVABLES:

The District assessed an annual parcel fee of $2,152 to be collected from **the District's** homeowners. The fees are collected by the City of New Orleans and remitted to the **District** on a monthly basis. A receivable is recorded for those fees collected subsequent to year end as well as for an estimate of fees expected to be collected by the end of the year. The total amount of fees outstanding at December 31, 2025 totaled $560,257.

NOTE 7 - LITIGATION AND CLAIMS:

At December 31, 2025, **the District** was in the following litigation. **The District** is being sued by three property owners requesting documents and records. Additionally, the property owners have requested attorney's fees and costs totaling over $20,000. **The District's** legal counsel feels that the court is unlikely to rule that the amount is reasonable. **The** District is also being sued by a property owner who is challenging the constitutionality of the law that created the subdivision. **The District's** legal counsel feels that there is a high likelihood for success for **the District** as there was already a law suit brought concerning the constitutionality of these laws that failed. The District has sufficient insurance to cover adverse legal determinations in these cases.

NOTE 8 - NEW ACCOUNTING PRONOUNCEMENTS:

The GASB has issued Statement No. 76, "The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments." The objective of this Statement is to identify, in the context of the current governmental financial reporting environment, the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with generally accepted accounting principles (GAAP) and the framework for selecting those principles.

NOTE 8 - NEW ACCOUNTING PRONOUNCEMENTS, CONTINUED:

The GASB has issued Statement No. 77. "Tax Abatement Disclosures." The requirements of this Statement improve financial reporting by giving users of financial statements essential information that is not consistently or comprehensively reported to the public at present. Disclosure of information about the nature and magnitude of tax abatements will make these transactions more transparent to financial statement users.

NOTE 9 - SUBSEQUENT EVENTS:

In preparing the financial statements, **the District** has evaluated events and transactions for potential recognition or disclosure through June 20, 2026, the date the financial statements were available to be issued. Management has determined that no events occurred that require recognition or disclosure.

SUPPLEMENTARY INFORMATION

EASTOVER NEIGHBORHOOD IMPROVEMENT AND SECURITY DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET TO ACTUAL-
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2025

	GENERAL FUND			
REVENUES	Original Budget	Revised Budget	Actual	Variance Favorable (Unfavorable)
Assessment & Fees-Current Year	$ 600,107	$ 600,107	$ 609,661	$ 9,554
Assessment & Fees-Prior Years	30,000	30,000	151,328	121,328
Gate Cards and Decals	1,000	1,000	-	(1,000)
Reserve Funds	26,000	26,000	-	(26,000)
Architectural Review Fee	1,000	1,000	-	(1,000)
Interest	4,000	4,000	4	(3,996)
Total revenues	662,107	662,107	760,993	98,886
EXPENDITURES				
Management Fee	100,000	100,000	85,175	14,825
Security	280,000	280,000	291,645	(11,645)
Maintenance	173,600	173,600	217,359	(43,759)
Professional Services	21,000	21,000	23,600	(2,600)
Utilities	33,000	33,000	30,646	2,354
Insurance	2,500	2,500	-	2,500
Office Supplies	4,000	4,000	1,035	2,965
City Processing Fee	6,421	6,421	7,664	(1,243)
Communication	2,100	2,100	-	2,100
Telephone	3,500	3,500	6,567	(3,067)
Bank Fees	-	-	12	(12)
Postage	1,000	1,000	541	459
Payroll	25,000	25,000	21,681	3,319
Contingency	2,000	2,000	-	2,000
Quickbooks On Line	1,000	1,000	1,168	(168)
Depreciation	-	-	1,235	(1,235)
Violations	300	300	-	300
Entertainment	5,000	5,000	-	5,000
Total expenditures	660,421	660,421	688,328	(27,907)
Net Change in Fund Balance	1,686	1,686	72,665	70,979
Fund Balance-Beginning of Year			332,686	
Fund Balance-End of Year			$ 405,351	

See Independent Auditors' Report and Accompanying Notes

EASTOVER NEIGHBORHOOD IMPROVEMENT AND SECURITY DISTRICT

SCHEDULE OF COMPENSATION PAID TO BOARD MEMBERS
FOR THE YEAR ENDED DECEMBER 31, 2025

Board members served without compensation.

(See Independent Auditors' Report)

EASTOVER NEIGHBORHOOD IMPROVEMENT AND SECURITY DISTRICT
SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS TO AGENCY HEAD OR CHIEF EXECUTIVE OFFICER (STATEMENT C)
FOR THE YEAR ENDED DECEMBER 31, 2025

Agency Head Name/Title: Mark Moody, Chairman of the Commissioners

PURPOSE	AMOUNT
Salary	$ -
Benefits-insurance	-
Benefits-retirement	-
Benefits-other (describe)	-
Car allowance	-
Vehicle provided by government (enter amount reported on W-2)	-
Per diem	-
Reimbursements	203
Travel	-
Registration fees	-
Conference travel	-
Housing	-
Unvouchered expenses (example: travel advances, etc.)	-
Special meals	-
Other	-

(See Independent Auditors' Report)

Sean M. Bruno
Certified Public Accountants, LLC

Member
American Institute of
Certified Public Accountants
Society of Louisiana
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
Eastover Neighborhood Improvement and Security District
New Orleans, Louisiana

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the major fund of **Eastover Neighborhood Improvement and Security District (the District),** 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 my report thereon dated June 20, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I considered **the District's** internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of **the District's** internal control. Accordingly, I do not express an opinion on the effectiveness of **the District's** internal control.

6100 Elysian Fields Avenue – Suite 200
(504) 241-3411
New Orleans, LA 70122
Fax (504) 241-3412

Report on Internal Control Over Financial Reporting, Continued

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

My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses 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 from material misstatement, I 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 my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that is required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of my 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; however, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Sean M. Bruno

SEAN M. BRUNO
CERTIFIED PUBLIC ACCOUNTANTS, LLC
New Orleans, Louisiana

June 20, 2026

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unmodified opinion of the financial statements of **Eastover Neighborhood Improvement and Security District.**

2. No significant deficiencies during the audit were reported in the 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.*

3. No instance of noncompliance during the audit were reported in the Independent Auditors' 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.*

4. No management letter was issued for the year ended December 31, 2025.

B. FINDINGS – FINANCIAL STATEMENT AUDIT

None noted.

EASTOVER NEIGHBORHOOD IMPROVEMENT AND SECURITY DISTRICT

Statewide Agreed-Upon Procedures
(R.S. 24:513) Report

FOR THE YEAR ENDED
DECEMBER 31, 2025

Sean M. Bruno
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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Board of Commissioners
Eastover Neighborhood Improvement and Security District
and the Louisiana Legislative Auditor

We have performed the procedures enumerated below, on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2025, through December 31, 2025. **Eastover Neighborhood Improvement and Security District (the District's)** management is responsible for those C/C areas identified in the SAUPs.

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

The procedures and associated findings are as follows:

Written Policies and Procedures

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

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

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

6100 Elysian Fields Avenue – Suite 200
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New Orleans, LA 70122
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PROCEDURES AND FINDINGS, CONTINUED

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

d) ***Receipts/Collections***, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

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

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

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

h) ***Credit Cards (and debit cards, fuel cards, P-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).

i) ***Ethic***, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.

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

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

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

PROCEDURES AND FINDINGS, CONTINUED

Results of Procedures: The District has written policy and procedures addressing budgeting, purchasing, disbursements, receipts/collections, payroll/personnel, contracting, ethics and sexual harassment. No written policies address credit cards, travel and expense reimbursement or debt service as **the District** has no credit cards, travel reimbursements or debt. There are no written procedures for information technology disaster recover/business continuity. However, **the District** relies upon a third-party provider to safeguard its critical financial statement data.

Board or Finance Committee

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

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

    b) 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. *Alternately, for those entities reporting on the non-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*

    c) 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.

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

Results of Procedures: We noted no exceptions to the above procedures.

PROCEDURES AND FINDINGS, CONTINUED

Bank Reconciliations

3. Obtain a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:
   a) 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);
   b) Bank reconciliations include written evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation within 1 month of the date the reconciliation was prepared (e.g., initialed and dated or electronically logged); and
   c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Results of Procedures: We noted no exceptions to the above procedures.

Collections (excluding electronic funds transfers)

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

5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, 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:
   a) Employees that are responsible for cash collections do not share cash drawers/registers.
   b) Each employee responsible for collecting cash is not also responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.
   c) Each employee responsible for collecting cash is not also responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.

PROCEDURES AND FINDINGS, CONTINUED

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

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

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

   a) Observe that receipts are sequentially pre-numbered.

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

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

   d) 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).

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

Results of Procedures: N/A The District has no cash collections.

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

8. 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).

9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:

PROCEDURES AND FINDINGS, CONTINUED

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

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

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

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

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

10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:

    a) Observe whether the disbursement matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the entity.

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

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

Results of Procedures: We noted no exceptions to the above procedures.

Credit Cards/Debit Cards/Fuel Cards/P-Cards

12. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-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.

13. 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:

PROCEDURES AND FINDINGS, CONTINUED

a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder.

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

14. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

15. Using the list of terminated employees obtained in payroll and personnel procedure #9C, identify those employees 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.

Results of Procedures: N/A. **The District** does not have credit cards/debit cards/fuel cards/Purchase cards.

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

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

a) If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).

PROCEDURES AND FINDINGS, CONTINUED

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

c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1g).

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

Results of Procedures: N/A. **The District** had no travel or travel-related expense reimbursements for FY 2025.

Contracts

17. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, 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:

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

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

c) 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, was approval documented).

d) 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.

Results of Procedures: We noted no exceptions to the above procedures.

Payroll and Personnel

18. Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5

PROCEDURES AND FINDINGS, CONTINUED

employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

19. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #17 above, obtain attendance records and leave documentation for the pay period, and:
    a) Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory).
    b) Observe whether supervisors approved the attendance and leave of the selected employees or officials.
    c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
    d) Observe the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.
20. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee or officials' cumulative leave records, agree the pay rates to the employee or officials' authorized pay rates in the employee or officials' personnel files, and agree the termination payment to entity policy.
21. 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, etc.) have been paid, and any associated forms have been filed, by required deadlines.

Results of Procedures: We noted no exceptions to the above procedures

Ethics

22. Using the 5 randomly selected employees/officials from procedure #17 under "Payroll and Personnel" above obtain ethics documentation from management, and:
    a. Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
    b. Observe whether the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

PROCEDURES AND FINDINGS, CONTINUED

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

Results of Procedures: We noted no exceptions to the above procedure.

Debt Service

24. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each debt instrument issued.
25. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

Results of Procedures: N/A. **The District** has no debt.

Fraud Notice

26. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.
27. Observe that the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

Results of Procedures: We noted no exceptions to the above procedures.

Information Technology Disaster Recovery/Business Continuity

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

PROCEDURES AND FINDINGS, CONTINUED

a. Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup occurred within the past week, (b) was not stored on the government's local server or network, and (c) was encrypted.
b. Obtain and inspect the entity's most recent documentation that it has tested/verified that its backup can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed with the past 3 months.
c. Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 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.

29. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #19. Observe evidence that the selected terminated employees have been removed or disabled from the network.

30. Using 5 randomly selected employees/officials from Payroll and Personnel procedure #17, obtain cybersecurity training documentation from management, and observe that the documentation demonstrates that the following employees/officials with access to the agency's information technology assets have completed cybersecurity training as required by R.S. 42:1267. The requirements are as follows:
    - Hired before June 9, 2020 – completed the training; and
    - Hired on or after June 9, 2020 – completed the training within 30 days of initial service or employment.

Results of Procedures: We performed the procedures and discussed the results with management.

Prevention of Sexual Harassment

31. Using the 5 randomly selected employees/officials from procedure #17 under "Payroll and Personnel" above, 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.

PROCEDURES AND FINDINGS, CONTINUED

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

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

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

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

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

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

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

Results of Procedures: N/A, **The District** has only one part-time employee and feels that these procedures do not apply to its operations.

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

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

PROCEDURES AND FINDINGS, CONTINUED

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.

Sean M. Bruno

SEAN M. BRUNO
CERTIFIED PUBLIC ACCOUNTANTS, LLC
New Orleans, Louisiana

June 20, 2026