

WEBSTER PARISH FIRE
PROTECTION DISTRICT No. 7
Dixie Inn, Louisiana

Annual Financial Statements

JUNE 30, 2025

WEBSTER PARISH FIRE PROTECTION DISTRICT No. 7
DIXIE INN, LOUISIANA
As of and for the Year Ended June 30, 2025
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INDEPENDENT AUDITORS' REPORT

The Board of Commissioners
Webster Parish Fire Protection District No. 7
Dixie Inn, Louisiana

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the major fund, and the disclosures, which collectively comprise the basic financial statements of the Webster Parish Fire Protection District No. 7, a component unit of the Webster Parish Policy Jury, as of and for the year ended June 30, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and 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 Webster Parish Fire Protection District No. 7 and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Management's Responsibility 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 Webster Parish Fire Protection District No. 7'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.

Accountant's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and the *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 controls. 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 auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgement 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 controls 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 Webster Parish Fire Protection District No. 7'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 Webster Parish Fire District No. 7'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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Budgetary Comparison Schedules on page 23 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 consider it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Webster Parish Fire Protection District No. 7's basic financial statements. The accompanying supplementary information, as listed in the table of contents, are presented for the purpose of additional analysis and are not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary 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 December 26, 2025, on our consideration of the Webster Parish Fire Protection District No. 7's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the Webster Parish Fire Protection District No. 7's internal controls 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.

Wise Martin & Cole LLC

Minden, LA
December 26, 2025

BASIC FINANCIAL STATEMENTS

WEBSTER PARISH FIRE PROTECTION DISTRICT No. 7
DIXIE INN, LOUISIANA

Statement of Net Position
June 30, 2025

	<u>Governmental Activities</u>
ASSETS	
Cash	\$ 1,050,601
Accounts receivable	41,775
Prepaid expenditures	6,277
Capital Assets:	
Land and construction in progress	4,000
Depreciable capital assets, net of depreciation	<u>616,471</u>
Total assets	<u>1,719,124</u>
LIABILITIES	
Accounts and other payables	<u>7,726</u>
Total liabilities	<u>7,726</u>
NET POSITION	
Net investment in capital assets	620,471
Unrestricted	<u>1,090,927</u>
Total net position	<u>\$ 1,711,398</u>

The notes to the financial statements are an integral part of this statement.

WEBSTER PARISH FIRE PROTECTION DISTRICT No. 7
DIXIE INN, LOUISIANA

Statement of Activities
For the Year Ended June 30, 2025

<u>FUNCTION/PROGRAMS</u>	<u>Expenses</u>	<u>Program revenues</u>		<u>Net (Expense)</u> <u>Revenue and</u> <u>Changes in</u> <u>Net Position</u>
		<u>Operating</u> <u>grants and</u> <u>contributions</u>	<u>Capital</u> <u>grants and</u> <u>contributions</u>	
Public safety - fire protection	\$ 212,086	\$ 3,460	\$ 54,130	\$ (154,496)
Total governmental activities	\$ 212,086	\$ 3,460	\$ 54,130	\$ (154,496)
General revenues:				
Ad valorem taxes				260,345
Fire insurance rebate				12,927
Interest				17,371
Gain on disposal of assets				400,000
Other income				14,824
Total general revenues and special items				705,467
Change in net position				550,971
Net position - beginning				1,160,427
Net position - ending				\$ 1,711,398

The notes to the financial statements are an integral part of this statement.

WEBSTER PARISH FIRE PROTECTION DISTRICT No. 7
DIXIE INN, LOUISIANA

Governmental Fund
Balance Sheet
June 30, 2025

	<u>General Fund</u>
ASSETS	
Cash	\$ 1,050,601
Receivables	<u>41,775</u>
Total assets	<u>\$ 1,092,376</u>
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	
<i>Liabilities:</i>	
Accounts payable	\$ <u>7,726</u>
Total liabilities	<u>7,726</u>
 Deferred inflows of resources	
Unavailable income	<u>41,775</u>
Total deferred inflows of resources	<u>41,775</u>
 Fund balance:	
Unassigned	<u>1,042,875</u>
Total fund balance	<u>1,042,875</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 1,092,376</u>

The notes to the financial statements are an integral part of this statement.

WEBSTER PARISH FIRE PROTECTION DISTRICT No. 7
DIXIE INN, LOUISIANA

Reconciliation of the Governmental Fund Balance Sheet
to the Government-wide Financial Statement of Net Position
June 30, 2025

Fund Balance, Total Governmental Fund (Statement C)	\$ 1,042,875
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the fund financial statements.	620,471
Receivables which are not available to pay for current period expenditures. Those receivables are offset by unavailable revenue in the funds.	41,775
Other assets used in governmental activities that are not financial resources and, therefore, are not reported in the governmental funds.	<u>6,277</u>
Net Position of Governmental Activities (Statement A)	<u>\$ 1,711,398</u>

The notes to the financial statements are an integral part of this statement.

WEBSTER PARISH FIRE PROTECTION DISTRICT No. 7
DIXIE INN, LOUISIANA

Governmental Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended June 30, 2025

	General Fund
REVENUES	
Ad valorem taxes	\$ 246,709
Intergovernmental	
Federal	58,885
Parish	12,479
Interest	17,371
Other income	14,824
Total revenues	350,268
 EXPENDITURES	
Current - public safety:	
Building and grounds	13,887
Communications	4,119
General operations	91,711
Fire services	25,759
Truck maintenance	26,421
Recruitment and retention	1,373
Training	4,464
Capital outlay	58,130
Total expenditures	225,864
 Excess of revenues over expenditures	 124,404
 OTHER FINANCING SOURCES	
Gain on disposal of assets	400,000
Total other financing sources	400,000
 Net change in fund balances	 524,404
 Fund balance - beginning	 518,471
 Fund balance - ending	 \$ 1,042,875

The notes to the financial statements are an integral part of this statement.

WEBSTER PARISH FIRE PROTECTION DISTRICT No. 7
DIXIE INN, LOUISIANA

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 June 30, 2025

Net Change in Fund Balance, Governmental Fund (Statement E)	\$	524,404
<p>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. This is the amount by which capital outlays exceeded depreciation in the current period.</p>		
		14,322
<p>Revenues in the Statement of Activities that do not provide current resources and are not reported as revenues in the fund financial statements</p>		
		12,789
<p>Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.</p>		
		<u>(544)</u>
Change in Net Position of Governmental Activities (Statement B)	\$	<u>550,971</u>

The notes to the financial statements are an integral part of this statement.

WEBSTER PARISH FIRE PROTECTION DISTRICT No. 7
Dixie Inn, Louisiana

Notes to Financial Statements
As of and for the year ended June 30, 2025

INTRODUCTION

The Webster Parish Fire Protection District No. 7 (the District) was created by resolution of the Webster Parish Police Jury in 1988. The District began collecting ad valorem taxes in January 1990. The District board consists of five members. Two members are appointed by the Webster Parish Police Jury, two members are appointed by the Village of Dixie Inn and the fifth member is appointed by the other four members and is the chairman of the District.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements of the District are prepared in conformity with 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 significant accounting policies used by the District are discussed below.

A. Reporting Entity

Governmental Accounting Standards Board (GASB) established criteria for determining the governmental reporting entity and component units which should be included within the reporting entity. Under the provisions of this statement, the District is considered a component unit of the Webster Parish Police Jury. The police jury is financially accountable for the District because it appoints a voting majority of the board and has the ability to impose its will on them.

The District has no component units for which the District is financially accountable.

The accompanying financial statements present information only on the funds maintained by the District and do not present information on the police jury, the general government services provided by that governmental unit, or the other governmental units that comprise that financial reporting entity.

B. Basic Financial Statements

The District's basic financial statements include both government-wide (reporting the District as a whole) and fund financial statements (reporting the District's major fund). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. The District's General fund is classified as governmental activities. The District has no business-type activities.

Government-wide Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all the nonfiduciary activities of the District. In the

WEBSTER PARISH FIRE PROTECTION DISTRICT No. 7
Dixie Inn, Louisiana

Notes to Financial Statements
As of and for the year ended June 30, 2025

government-wide Statement of Net Position, the governmental activities column is presented on a consolidated basis by column and is reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The government-wide Statement of Activities reports both the gross and net cost of each of the District's functions. The functions are supported by general government revenues (property taxes and intergovernmental revenues such as fire insurance rebates). The Statement of Activities reduces gross expenses (including depreciation) by any related program revenues, operating and capital grants, which must be directly associated with the public safety function.

Program revenues Program revenues included in the Statement of Activities include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Allocation of indirect expenses The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Depreciation expense is specifically identified by function and is included in the direct expense of each function. Indirect expenses not allocated to functions are reported separately in the Statement of Activities.

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

Separate financial statements are provided for governmental funds. The major individual governmental fund, which is the General fund, is reported in the fund financial statements.

Fund Financial Statements

The financial transactions of the District are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues, and expenditures/expenses. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

The emphasis in fund financial statements is on the major funds in the governmental and business-type activities categories. Nonmajor funds by category are summarized into a single column.

The District only uses governmental fund types.

WEBSTER PARISH FIRE PROTECTION DISTRICT No. 7
Dixie Inn, Louisiana

Notes to Financial Statements
As of and for the year ended June 30, 2025

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The District reports the following governmental fund:

- General fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.

The District's General fund was determined to be a major fund.

C. Basis of Accounting

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

1. Accrual

The governmental activities in the government-wide financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Property taxes are reported in the period for which levied. Other nonexchange revenues, including intergovernmental revenues and grants, are reported when all eligibility requirements have been met. Fees and charges and other revenues are recognized when earned, and expenses are recognized when incurred. Revenues, expenses, gains, losses, assets, liabilities, deferred outflows and inflows of resources resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, Accounting and Financial Reporting for Nonexchange Transactions.

2. Modified Accrual

The governmental fund financial statements are presented using a current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e., both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 30 days of the end of the current fiscal period. Expenditures are recorded when a liability is incurred, as under accrual accounting. Exceptions to this general rule include principal and interest on general obligation long-term debt, which are recognized when due and payable.

WEBSTER PARISH FIRE PROTECTION DISTRICT No. 7
Dixie Inn, Louisiana

Notes to Financial Statements
As of and for the year ended June 30, 2025

Revenues

- Ad valorem taxes (property) are recorded in the year they are assessed. Property taxes are assessed on a calendar-year basis and become due on the date November 15 of each year and become delinquent on December 31. The taxes are normally collected in December of the current year and January and February of the ensuing year.
- Fire insurance rebates (intergovernmental) are recorded when received because they are generally not measurable until actually received.

Property taxes and fire insurance rebates associated with the current fiscal period are all considered susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessment receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when received.

D. Cash and investments

Cash includes amounts in demand deposits, interest-bearing demand deposits, and money market accounts. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the district may deposit funds in demand deposits, interest-bearing demand deposits, and money market accounts with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

Under state law, the District may invest in United States bonds, treasury notes, or certificates. These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents.

The District has no investments.

E. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in the government-wide financial statements.

F. Receivables

Receivables consist of all revenue earned at year-end and not yet received. Major receivable balances for the governmental activities are property taxes and fire insurance rebate passed through from the Parish.

G. Capital assets

Capital assets, which include property, plant, and equipment, are reported in the governmental activities in the government-wide financial statements. Capital assets are capitalized at historical

WEBSTER PARISH FIRE PROTECTION DISTRICT No. 7
Dixie Inn, Louisiana

Notes to Financial Statements
As of and for the year ended June 30, 2025

cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at acquisition value at the date of donation. The District maintains a threshold level of \$2,500 or more for capitalizing capital assets. Major outlays for capital assets and improvements are capitalized as projects are constructed.

The costs of normal maintenance and repairs that do not add to the value of fixed assets or materially extend useful lives are not capitalized.

All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Buildings and improvements	40 years
Machinery and equipment	10 years
Vehicles	5-15 years

H. Restricted net position

For the government-wide Statement of Net Position, net position is reported as restricted if either of the following conditions exists:

- Restrictions are externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments.
- Restrictions are imposed by law through constitutional provision or enabling legislation.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources when expenses are incurred for purpose for which both restricted and unrestricted net position are available.

I. Fund Equity of Fund Financial Statements

The following classifications describe the relative strength of the spending constraints placed on the purposes for which the resources can be used. In the fund financial statements, fund balances are classified as follows:

- a. Non-spendable fund balance - amounts that are not in a spendable form or legally or contractually required to be maintained intact. This category includes items that are not easily converted to cash such as inventories.
- b. Restricted fund balance - amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or

WEBSTER PARISH FIRE PROTECTION DISTRICT No. 7
Dixie Inn, Louisiana

Notes to Financial Statements
As of and for the year ended June 30, 2025

by enabling legislation.

- c. Committed fund balance - amounts constrained to specific purposes determined by the Board of Commissioners, the District's highest level of decision-making authority, to be reported as committed, amounts cannot be used for any other purpose unless the District takes the same highest-level action to remove or change the constraint. The Board establishes (and modified or rescinds) fund balance commitments by passage of an ordinance or resolution.
- d. Assigned fund balance - amounts that the District intends to use for a specific purpose, intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority. The District's policy does not address assignment of fund balance. Assigned fund balance is established by the Board of Commissioners through adoption or amendment of the budget as intended for specific purpose.
- e. Unassigned fund balance - amounts that are available for any purpose, positive amounts are reported only in the General fund. The District has not adopted a policy to maintain the General fund's unassigned fund balance above a certain minimum level.

The District reduces committed amounts, followed by assigned amounts, and then unassigned amounts when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used. The District considers restricted amounts to have been spent when an expenditure has been incurred for purposes for which both restricted and unrestricted fund balance are available.

J. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

K. Deferred Outflows of Resources and Deferred Inflows of Resources

In addition to assets, the financial statements 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 future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District has no items that qualify for reporting in this category.

In addition to liabilities, financial statements will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources,

WEBSTER PARISH FIRE PROTECTION DISTRICT No. 7
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Notes to Financial Statements
As of and for the year ended June 30, 2025

represents an acquisition of net position that applies to a future period(s) and so will be recognized as an inflow of resources (revenue) until then. The District has one item that qualifies for reporting in this category. The governmental funds balance sheet reports unavailable revenues from amounts which are deferred and will be recognized as an inflow of resources in the period in which the amounts become available.

2. BUDGETS

The District uses the following budget practices:

- a) The District prepares a proposed budget and submits it to the Board of Commissioners in May prior to the beginning of each fiscal year.
- b) A summary of the proposed budget is presented and the public notified that the proposed budget is available for public inspection (if required). At the same time, a public hearing is called.
- c) A public meeting is held on the proposed budget as noted in the public meeting postings.
- d) After the holding of the public meeting and completion of all action necessary to finalize and implement the budget, the budget is adopted by the Board of Commissioners prior to the commencement of the fiscal year for which the budget is being adopted.
- e) Budgetary amendments involving the transfer of funds from one department, program, or function to another as a result of expenditures exceeding budgeted amounts and revenues lower than budgeted amounts require the approval of the board of commissioners.
- f) Budgetary appropriations lapse at the end of the fiscal year.
- g) The budget for the General fund was adopted on a cash basis.

Excess of expenditure over appropriations

For the year ended June 30, 2025, expenditures exceed appropriations in the General fund by \$10,534. These over expenditures were funded by greater than anticipated revenues in that fund.

3. CASH AND CASH EQUIVALENTS

At June 30, 2025, the District had cash and cash equivalents (book balances) totaling \$1,050,601.

These deposits are stated at cost, which approximates market. Under state law, these bank balances must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of pledged securities plus the federal deposit insurance must always at least equal the amount on deposit with the fiscal agent. These securities are held in the

WEBSTER PARISH FIRE PROTECTION DISTRICT No. 7
Dixie Inn, Louisiana

Notes to Financial Statements
As of and for the year ended June 30, 2025

name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

Custodial Credit Risk – Deposits: At June 30, 2025, the District has \$1,050,134 in collected bank balances. The deposits are secured from risk by \$263,142 of federal deposit insurance and \$916,943 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

Even though pledged securities are considered uncollateralized (Category 3) under the provisions of GASB statement No. 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the district that the fiscal agent has failed to pay deposited funds upon demand.

The District has not formally adopted a deposit or investment policy that limits the government's allowable deposits or investments and addresses custodial credit or interest rate risks.

4. ACCOUNTS RECEIVABLE

Accounts receivable as of June 30, 2025, for the District are as follows:

Property tax	\$	28,848
Fire rebate		12,927
Total receivable	\$	<u>41,775</u>

5. LEVIED TAXES

The District levies tax on all property subject to taxation in the District. The total taxable assessed value was \$17,467,328 in calendar year 2024. The following is a summary of authorized and levied ad valorem taxes:

	Levied <u>Millage</u>	Expiration <u>Date</u>
Operations and maintenance	14.62	2028

WEBSTER PARISH FIRE PROTECTION DISTRICT No. 7
Dixie Inn, Louisiana

Notes to Financial Statements
As of and for the year ended June 30, 2025

6. CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended June 30, 2025, for the District is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated				
Construction in progress	\$ -	\$ 4,000	\$ -	\$ 4,000
Total capital assets not being depreciated	<u>-</u>	<u>4,000</u>	<u>-</u>	<u>4,000</u>
Capital assets being depreciated				
Buildings	684,975	54,130	1,717	737,388
Machinery & equipment	535,477	-	101,781	433,696
Vehicles	1,598,150	-	9,895	1,588,255
Total capital assets being depreciated	<u>2,818,602</u>	<u>54,130</u>	<u>113,393</u>	<u>2,759,339</u>
Less accumulated depreciation for:				
Building	286,727	23,947	1,717	308,957
Machinery & equipment	412,536	8,519	101,781	319,274
Vehicles	1,513,190	11,342	9,895	1,514,637
Total accumulated depreciation	<u>2,212,453</u>	<u>43,808</u>	<u>113,393</u>	<u>2,142,868</u>
Total capital assets being depreciated, net	<u>606,149</u>	<u>10,322</u>	<u>-</u>	<u>616,471</u>
Governmental activities capital assets, net	<u>\$ 606,149</u>	<u>\$ 14,322</u>	<u>\$ -</u>	<u>\$ 620,471</u>

Depreciation expense of \$43,808 was charged to the public safety function.

7. ACCOUNTS AND OTHER PAYABLES

The District had accounts payables of \$7,726 at June 30, 2025.

8. CONTINGENT LIABILITIES

The District was not involved in any litigation as of June 30, 2025, nor was it aware of any asserted claims. The District is not a defendant in any litigation seeking damages from the District.

9. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District attempts to minimize risk from significant losses through the purchase of insurance.

WEBSTER PARISH FIRE PROTECTION DISTRICT No. 7
Dixie Inn, Louisiana

Notes to Financial Statements
As of and for the year ended June 30, 2025

10. SUBSEQUENT EVENTS

Subsequent events have been evaluated through December 26, 2025. This date represents the date the financial statements were available to be issued.

11. NEW GASB STANDARD

The District implemented Statement No. 100 – Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62. The purpose of this Statement is to enhance accounting and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions and accountability. The adoption of this standard had no impact on the District’s financial statements.

The District also implemented Statement No. 101 – Compensated Absences which increased the usefulness of government’s financial statements by aligning the recognition and measurement guidance under a unified model. This statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not paid in cash or settled through noncash means. The adoption of this standard resulted in no changes in compensated absence liability. There were no changes to the prior net position as a result of this implementation.

REQUIRED SUPPLEMENTARY INFORMATION

WEBSTER PARISH FIRE PROTECTION DISTRICT No. 7
DIXIE INN, LOUISIANA

Budgetary Comparison Schedule - General fund
For the Year Ended June 30, 2025

	<u>Budgeted Amounts</u>		Actual (Cash basis)	Variance
	<u>Original</u>	<u>Final</u>		Favorable (Unfavorable)
REVENUES				
Ad valorem taxes	\$ 220,000	\$ 233,000	\$ 246,709	\$ 13,709
Intergovernmental				
Federal	80,000	55,500	58,885	-
Parish	12,000	12,000	12,479	479
Interest	1,500	9,500	17,371	7,871
Other Revenue	500	410,500	14,824	(395,676)
Total revenues	<u>314,000</u>	<u>720,500</u>	<u>350,268</u>	<u>(370,232)</u>
EXPENDITURES				
Current - public safety:				
Building and grounds	15,000	12,800	13,236	(436)
Communications	5,000	3,500	4,119	(619)
General operations	85,000	81,000	86,045	(5,045)
Fire services	20,000	25,300	25,759	(459)
Truck maintenance	20,000	27,000	26,758	242
Recruitment and retention	3,000	1,500	1,373	127
Training	8,000	250	4,464	(4,214)
Capital outlay	<u>235,000</u>	<u>58,000</u>	<u>58,130</u>	<u>(130)</u>
Total expenditures	<u>391,000</u>	<u>209,350</u>	<u>219,884</u>	<u>(10,534)</u>
Excess (deficiency) of revenues over expenditures	(77,000)	511,150	130,384	(380,766)
OTHER FINANCING SOURCES				
Gain on disposal of assets	<u>-</u>	<u>-</u>	400,000	400,000
Total other financing sources	<u>-</u>	<u>-</u>	400,000	400,000
Net change in fund balance	(77,000)	511,150	530,384	19,234
Fund balance at beginning of year	<u>520,217</u>	<u>520,217</u>	<u>520,217</u>	<u>-</u>
Fund balance at end of year	<u>\$ 366,217</u>	<u>\$ 1,542,517</u>	<u>\$ 1,980,985</u>	<u>\$ 438,468</u>

WEBSTER PARISH FIRE PROTECTION DISTRICT No. 7
DIXIE INN, LOUISIANA

Note to Budgetary Comparison Schedule
For the Year Ended June 30, 2025

The District's budget is adopted on a cash basis. The schedule below reconciles the excess of revenues over expenditures on the budget basis with net change in fund balance on the GAAP basis.

Net change in fund balance, GAAP basis	\$ 524,404
To adjust for receivables	(12,789)
To adjust for deferred inflows	12,789
To adjust for payables	<u>5,980</u>
Net change in fund balance, cash basis	<u>\$ 530,384</u>

SUPPLEMENTARY INFORMATION

WEBSTER PARISH FIRE PROTECTION DISTRICT No. 7
Dixie Inn, Louisiana

Schedule of Compensation Paid Board Members
For the Year Ended June 30, 2025

The following served on the Board of Commissioners without compensation:

Mike Burton	Chairman
Mickey Chandler	Commissioner
James Edwards	Commissioner
Gary Greene	Commissioner
Lori McGarity	Commissioner

WEBSTER PARISH FIRE PROTECTION DISTRICT No. 7
Dixie Inn, Louisiana

Schedule of Compensation, Benefits and Other Payments to Agency Head
For the Year Ended June 30, 2025

Agency Head: Austin Jones, Fire chief

Compensation	\$ 5,800
Per diem	1,944
Reimbursements	<u>283</u>
Total	\$ <u>8,027</u>

OTHER REPORT

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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*

The Board of Commissioners
Webster Parish Fire Protection District No. 7
Dixie Inn, Louisiana

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Webster Parish Fire Protection District No. 7, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 26, 2025.

Report on Internal Control over Financial Reporting

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

Our consideration of internal control 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 weakness or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify a deficiency in internal control, described in the

accompanying schedule of current year findings as item 2025-01, that we consider to be a material weakness.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement. 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, and which is reported in the accompanying Schedule of Current Year Findings as item 2025-02.

Webster Parish Fire Protection District No. 7's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the findings identified in our audit and described in the accompanying Schedule of Current Year Findings. The District's response was not subjected to the auditing procedures applied in the audit of the financial statements, and accordingly, we express no opinion on the response.

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.

Although the intended purpose of these reports may be limited, under Louisiana Revised Statute 24:513, this report is distributed by the Office of the Louisiana Legislative Auditor as a public document.

Wise Martin & Cole LLC

Minden, Louisiana
December 26, 2025

SCHEDULES FOR LOUISIANA LEGISLATIVE AUDITOR

WEBSTER PARISH FIRE PROTECTION DISTRICT No. 7
Dixie Inn, Louisiana

Schedule of Prior Year Findings
As of and for the year ended June 30, 2025

There are no findings required to be reported in the prior year.

WEBSTER PARISH FIRE PROTECTION DISTRICT No. 7
Dixie Inn, Louisiana

Schedule of Current Year Findings
As of and for the year ended June 30, 2025

Finding 2025-01 Lack of segregation of duties

Specific requirement: Proper internal control requires segregation of duties. An adequate system of internal accounting controls provides for the segregation of duties of personnel such that no one person is in a position to both initiate and approve transactions.

Condition found: Management for the Webster Parish Fire Protection District No. 7 does not have proper segregation of duties to ensure adequate internal account controls such that no one person is in a position to both initiate and approve transactions.

The District has one person who is responsible for preparing deposit slips, making the deposits, recording transactions in the accounting records, and preparing the bank reconciliation.

Possible asserted effect (cause and effect)

Cause: Small number of personnel working for the Webster Parish Fire Protection District No. 7.

Effect or potential effect: Intentional or unintentional errors could be made and not be detected.

Recommendation: Webster Parish Fire Protection District No.7 should monitor the assignment of duties to implement checks and balances to mitigate this issue. Although it may not be practical to segregate duties due to limited personnel, the District should continue to be involved with oversight of the accounting function to minimize the risk from the lack of segregation of duties.

Management's response: Moving forward the Fire Chief will collect the invoices, the CAO will process payments, record transactions, and prepare the deposits. The Fire Chief will then be responsible for making the deposits and mailing checks. The WFD7 board will also be given copies of reconciliation reports at regularly scheduled board meetings to ensure oversight of the accounting functions at WFD7.

WEBSTER PARISH FIRE PROTECTION DISTRICT No. 7
Dixie Inn, Louisiana

Schedule of Current Year Findings
As of and for the year ended June 30, 2025

Finding 2025-02 Budget

Specific requirement: The Local Government Budget Act requires the annual budget to be amended when expenditures are over budgeted amounts by 5% or more.

Condition found: Actual expenditures were over budgeted expenditures by more than 5%.

Possible asserted effect (cause and effect)

Cause: Expenditures related to pension expense were netted against ad valorem revenues instead of recorded separately as an expense.

Effect: The Districts expenditures were over budgeted expenditures by more than 5%.

Recommendation: We recommend that the Chief Administrative Officer records ad valorem ad gross rather than at net, and ensure that ad valorem pension expense be on the amended budget.

Management's response: Moving forward a line item will be added to the annual budget in order to record the pension expense and the ad valorem tax will be recorded at gross rather than net.

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**INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES**

To the Webster Parish Fire Protection District No. 7
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 July 1, 2024, through June 30, 2025. The Webster Parish Fire Protection District No. 7's 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 LLA's SAUPs for the fiscal period July 1, 2024, through June 30, 2025. Additionally, the 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, as applicable:
 - a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.
No exceptions noted.
 - 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 or state purchasing rules and regulations, as applicable to the entity; and (5) documentation required to be maintained for all bids and price quotes.

Exception: *Written policies and procedures did not address item (2).*

Management response: Moving forward the “Disbursement of Funds” policy will be amended to add a section that covers how vendors are added to a vendor list.

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

No exceptions noted.

- 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 (e.g. periodic confirmation with outside parties, reconciliation of receipt number sequences, reasonableness of cash collections based on licenses issued).

Exception: The District does not have a policy and procedures for collections regarding receiving, recording, preparing deposits, or collection completeness.

Management response: Moving forward the “Disbursement of Funds” policy will be amended to add a section that covers how deposits are received, prepared, and carried out.

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

Not applicable – The District does not have W-2 employees.

- 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.

No exceptions noted.

- g) **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).

Not applicable – The District does not have credit cards.

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

No exceptions noted.

- i) **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) requirement that all employees annually attest through signature verification that they have read the entity’s ethics policy.

No exceptions noted.

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

k) *Not applicable – The District does not have debt.*

l) **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.

No exceptions noted.

m) **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.

No exceptions noted.

Board Meetings/Minutes

2. Obtain and inspect the board 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 met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, or other equivalent document.

No exceptions noted.

b) Observe that the minutes referenced or included monthly budget-to-actual comparisons.

No exceptions noted.

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.

No exceptions noted.

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.

No exceptions noted.

Bank Reconciliations

3. Obtain a listing of bank accounts for the fiscal period from management and management's representation that the listing is complete. For each of the bank accounts in the listing provided by management, obtain bank statements and reconciliations for all months in the fiscal period and observe that:

Management provided us with a list of bank accounts and representation that the list is complete.

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

No exceptions noted.

- b) Bank reconciliations include evidence that a member of management/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, electronically logged);

Exception: *Bank reconciliations did not include evidence that a member of management who does not handle cash, post ledger, or issues checks has reviewed each bank reconciliation within one month of the date the reconciliation was prepared.*

Management response: *The WFD7 board meets every other month, bank reconciliations will be reviewed during the regular scheduled meetings by all board members present.*

- 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; and

Exception: *There were outstanding items that were older than 12 months on the District's bank reconciliations. We noted no documentation reflecting that these items were researched to address in the bank reconciliations.*

Management response: *WFD7 management will review the outstanding items and take appropriate measures to reconcile the outstanding items in an appropriate amount of time.*

Receipts/Collections

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).

Management provided us with the required list and representations that the list is complete.

5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site, obtain and inspect written policies and procedures relating to employees' job

duties (if no written policies or procedures, inquire of employees about their job duties), and observe that job duties for collections are properly segregated such that:

- a) Employees responsible for cash collections do not share cash drawers/registers.
- b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts or license applications received) to the deposit.
- c) Each employee responsible for collecting cash is not 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.
- d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source, are not responsible for collecting cash, unless another employee verifies the reconciliation.

***Exception:** There was a lack of segregation of duties for cash collections. The employee responsible for collecting cash and checks was also the person responsible for making deposits, posting collection entries, and reconciling bank accounts.*

***Management response:** Moving forward the Fire Chief will collect the cash and checks and be responsible for making the deposits. The CAO will record transactions and prepare the deposits. The Board will also be given copies of reconciliation reports at regularly scheduled board meetings to ensure oversight of the accounting functions at WFD7.*

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

***Exception:** The District does not have a surety bond in place as of June 30, 2025.*

***Management response:** WFD7 has taken steps to obtain a surety bond and will maintain one for every fiscal year hereafter.*

7. Randomly select two deposit dates for each of the bank accounts (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:

- a) Observe that receipts are sequentially pre-numbered.

Not applicable – The District does not utilize a prenumbered receipt book since there are no cash collections.

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

No exceptions noted.

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

No exceptions noted.

- d) Observe that the deposit was made within one business day of collection (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).

Exception: *The District had two deposits that were not deposited within one business day of collection. The deposit supporting documentation did not have a date stamp of when the check was received and therefore we could not verify the date of receipt compared to the deposit date. The District had two deposits that the general ledger detail differed from the deposit detail. The date deposited was several days after the date recorded in the general ledger.*

Management response: *On occasion management has a hard time getting two signatures on checks due to all management and board members being volunteers. Moving forward WFD7 will attempt to make all deposits in a timely manner.*

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

No exceptions noted.

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).

Management provided us with the required list and representations that the list is complete.

- 9. Obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employees' 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:

Management provided us with the required list and representations that the list is complete.

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

Not applicable – The District does not utilize a requisition/purchase order system. Purchases receive advance approval through budgetary allocations, except when state law or policy require formal bids.

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

No exceptions noted.

- 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.

Exception: *There are no prohibitions for an employee that processes payments to add/modify vendor files. There is no periodic review of vendor files.*

Management response: *An amendment will be added to the "Disbursement of Funds" policy in order to address the vendor list and vendor files. WFD7 will make sure that a separate person reviews the vendor list and add/modifies the vendor list.*

- 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.

No exceptions noted.

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

No exceptions noted. Only board members allowed to sign checks and approve electronic disbursements.

- 10. Obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements which are addressed in separate sections below) and obtain management's representation that the population is complete. Randomly select 5 disbursements, obtain supporting documentation (e.g. purchase requisition, invoices, receipts, receiving slips) for each transaction and:

- a) Observe that the disbursement matched the related original invoice/billing statement

No exceptions noted.

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

No exceptions noted.

- 11. Using the entity's main operating account and the month selected in Bank Reconciliations procedures #3, randomly select 5 non-payroll-related electronic disbursements (or all 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.

Exception: *There was no documentation of approval for electronic disbursements.*

Management response: *Previous EFTs were approved before the EFT policy was adopted. Any new EFTs will be reviewed and approved following the district's EFT policy.*

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.

Management represented that they do not have credit cards, bank debit cards, fuel cards, and P-cards.

13. 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:
 - 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. Obtain supporting documentation for all transactions included on the monthly statements or combined statements selected in #13 above. 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.

None of the above procedures apply since the District does not have credit cards, debit cards, fuel cards, or P-cards.

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

15. Obtain from management a listing of all travel and travel-related expense reimbursements paid to employees and board members 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:

Management provided us with the required list and representations that the list is complete.

- a) If reimbursed using a per diem, observe the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).

No exceptions noted.

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

No exceptions noted.

- 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 #1h).

No exceptions noted.

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

No exceptions noted.

Contracts

- 16. 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:

Management provided us with the required list and representation that the list is complete.

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

No exceptions noted.

- b) Observe that the contract was approved by the governing body/board, if required by policy.

No exceptions noted.

- c) If the contract was amended (e.g., change order), observe that the original contract terms provided for such an amendment.

No exceptions noted.

- 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.

No exceptions noted.

Payroll and Personnel

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

Management provided us with the required list and required list and representation that the listing is complete.

No exceptions noted.

18. Randomly select one pay period during the fiscal period. For the employees selected under #17 above, obtain attendance records and leave documentation for the pay period, and:

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

Not applicable. Entity has no employees.

b) Observe that supervisors approved the attendance and leave of the selected employees.

Not applicable. Entity has no employees.

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

Not applicable. Entity has no employees.

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

Not applicable. Entity has no employees.

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

Not applicable. Entity has no employees.

20. Obtain management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.

Not applicable. Entity has no employees.

Ethics

21. Using the 5 randomly selected employees from procedure #17 under "Payroll and Personnel" above, obtain ethics documentation from management, and:

a) Observe that the documentation demonstrates each employee completed one hour of ethics training during the fiscal period.

Not applicable. Entity has no employees.

- 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.

Not applicable. Entity has no employees.

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

No exceptions noted.

Debt Service

23. Obtain a listing of bonds/notes issued during the fiscal period and management's representation that the listing is complete. Select all bonds/notes on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each bond/note issued.

No debt was issued during the fiscal period.

24. 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).

Not applicable – the District has no debt.

Fraud Notice

25. 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.

Management provided us with the required list and representation that the listing is complete. There were no misappropriations reported.

26. Observe 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.

Exception: *The notice required by R.S. 24:523.1 was not posted on its premises.*

Management response: *WFD7 does not have a website but will post the notice at its headquarters at Station 5 on Hwy 80.*

Information Technology Disaster Recovery/Business Continuity

27. Perform the following procedures, verbally discuss the results with management, and report “We performed the procedure and discussed the results with management.”

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

We performed the procedure and discussed the results with management.

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

We performed the procedure and discussed the results with management.

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

We performed the procedure and discussed the results with management.

28. 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.

No exceptions noted.

29. Using the 5 randomly selected employees/officials from “Payroll and Personnel” procedure #17, obtain cyber security 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.

Not applicable. Entity has no employees.

Sexual Harassment

30. Obtain a listing of employees/board members employed during the fiscal period and management’s representation that the listing is complete. Randomly select 5 employees/board members, obtain sexual harassment training documentation from

management, and observe that the documentation demonstrates each employee/board member completed at least one hour of sexual harassment training during the calendar year.

Not applicable. Entity has no employees.

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

Exception: *Sexual harassment policy and complaint procedures are not in a conspicuous location on the entity's premises.*

Management response: *Sexual Harassment policy and procedures will be posted at WFD7 headquarters, Station 5 on Hwy 80.*

32. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe that 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.

Exception: *Not annual sexual harassment report was sent.*

Management response: *An annual sexual harassment report will be completed and filed away every year from here on out.*

We were engaged by Webster Parish Fire Protection District No. 7 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 Webster Parish Fire Protection District No. 7 and to meet our 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 compliance. Accordingly, the report is not suitable for any other purpose. Under R.S. 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

Wise Martin & Cole LLC

Minden, Louisiana

December 26, 2025