

**WASHINGTON PARISH FIRE PROTECTION DISTRICT NO. 7
BOGALUSA, LOUISIANA**

ANNUAL FINANCIAL STATEMENTS

AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2024

Washington Parish Fire Protection District No. 7
Bogalusa, Louisiana
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Independent Auditor's Report

To the Members of the Board of Commissioners of
Washington Parish Fire Protection District No. 7
Bogalusa, Louisiana

Report on the Audit of Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and the general fund of Washington Parish Fire Protection District No. 7 (the "District"), a component unit of Washington Parish Government, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

Basis for Opinions

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

Emphasis of Matter - Change in Accounting Principle

As described in Note 1 to the financial statements, in 2024, the District adopted new accounting guidance, GASB Statement No. 101, *Compensated Absences*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our 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 judgment made by a reasonable user based on the financial statements.

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Budgetary Comparison Schedule, the Schedule of the District's Proportionate Share of the Net Pension Liability, and the Schedule of the District's Contributions on pages 27, 28, and 29 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

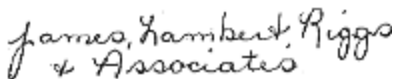
Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required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

Supplementary Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 9, 2025, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 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.



James Lambert Riggs & Associates, Inc.
Hammond, Louisiana

July 9, 2025

Basic Financial Statements

Washington Parish Fire Protection District No. 7
Bogalusa, Louisiana
Statement of Net Position
December 31, 2024

Exhibit A

	Governmental Activities
Assets	
Cash and Cash Equivalents	\$ 449,318
Taxes Receivable, Net of Uncollectible Accounts	685,812
State Revenue Sharing Receivable	41,074
Land	23,000
Capital Assets, Net of Accumulated Depreciation	<u>626,540</u>
Total Assets	\$ 1,825,744
Deferred Outflows of Resources	
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	\$ 5,753
Differences Between Expected and Actual Experience	42,696
Changes in Assumptions	24,329
Changes in Proportion and Differences Between Contributions and Proportionate Share of Contributions	28,347
Contributions Subsequent to the Measurement Date	<u>43,475</u>
Total Deferred Outflows of Resources	\$ 144,600
Liabilities	
Accounts Payable	\$ 4,809
Payroll Liabilities	12,233
Compensated Absences Payable	6,847
Net Pension Liability	<u>568,697</u>
Total Liabilities	\$ 592,586
Deferred Inflows of Resources	
Differences Between Expected and Actual Experience	\$ 13,525
Changes in Proportion and Differences Between Contributions and Proportionate Share of Contributions	<u>159,112</u>
Total Deferred Inflows of Resources	\$ 172,637
Net Position	
Net Investment in Capital Assets	\$ 649,540
Unrestricted	<u>555,581</u>
Total Net Position	\$ 1,205,121

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

Washington Parish Fire Protection District No. 7
Bogalusa, Louisiana
Statement of Activities
For the Year Ended December 31, 2024

Exhibit B

	<u>Governmental Activities</u>
Expenses:	
Public Safety - Fire Protection:	
Salaries & Related Benefits	\$ 449,864
State Supplemental Pay	24,000
Depreciation	91,415
Insurance	92,295
Pension Fund Mandate	24,586
Repairs & Maintenance	22,769
Fuel & Oil	13,066
Professional Fees	21,323
Supplies	1,101
Gear & Uniforms	3,594
Utilities	24,200
Election Expense	7,771
Telephone	9,303
Office Supplies & Postage	4,359
Training	652
Dues & Subscriptions	1,268
Miscellaneous	<u>2,809</u>
Total Program Expenses	794,375
General Revenues:	
Ad Valorem Taxes	714,417
State Revenue Sharing	41,074
Fire Insurance Rebate	39,306
On Behalf Payments - State Supplemental Pay	24,000
Grant Income	120,277
Interest	8,060
Other Revenues	81,851
Contributions from Non-Employer Contributing Entities	<u>31,494</u>
Total General Revenues	<u>1,060,479</u>
Change in Net Position	266,104
Net Position - Beginning of Year	<u>939,017</u>
Net Position - End of Year	<u><u>\$ 1,205,121</u></u>

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

Washington Parish Fire Protection District No. 7
Bogalusa, Louisiana
Governmental Fund Balance Sheet
December 31, 2024

Exhibit C

	<u>General Fund</u>
Assets	
Cash and Cash Equivalents	\$ 449,318
Taxes Receivable, Net	685,812
State Revenue Sharing Receivable	<u>41,074</u>
Total Assets	<u>\$ 1,176,204</u>
Liabilities and Fund Balance	
Liabilities:	
Accounts Payable	\$ 4,809
Payroll Liabilities	12,233
Accrued Wages Payable	-
Pension Fund Deduction Payable	<u>-</u>
Total Liabilities	<u>\$ 17,042</u>
Fund Balance:	
Unassigned	<u>1,159,162</u>
Total Fund Balance	<u>1,159,162</u>
Total Liabilities and Fund Balance	<u>\$ 1,176,204</u>

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

Washington Parish Fire Protection District No. 7Exhibit D**Bogalusa, Louisiana****Reconciliation of the Governmental Fund Balance Sheet to the
Government-Wide Statement of Net Position
December 31, 2024****Total Governmental Fund Balance (Exhibit C)** \$ 1,159,162

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds. 649,540

Long-term liabilities and leases payable are not due and payable in the current period and therefore are not reported in the governmental funds:

Compensated Absences Payable (6,847)

In accordance with Governmental Accounting Standards Board Statement No. 68, the net pension liability related to pension plans, deferred outflows of resources, and deferred inflows of resources are not recorded in the governmental funds.

Net Pension Liability (568,697)

Deferred Outflows of Resources:

Net Difference Between Projected and Actual Earnings on Pension

Plan Investments 5,753

Differences Between Expected and Actual Experience 42,696

Changes in Assumptions 24,329

Changes in Proportion and Differences Between Contributions and

Proportionate Share of Contributions 28,347

Contributions Subsequent to the Measurement Date 43,475

Deferred Inflows of Resources:

Differences Between Expected and Actual Experience (13,525)

Changes in Proportion and Differences Between Contributions and

Proportionate Share of Contributions (159,112)

Net Position of Governmental Activities (Exhibit A) \$ 1,205,121

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

Washington Parish Fire Protection District No. 7
Bogalusa, Louisiana
Statement of Governmental Fund Revenues, Expenditures, and
Change in Fund Balance
For the Year Ended December 31, 2024

Exhibit E

	<u>General Fund</u>
Revenues:	
Ad Valorem Taxes	\$ 714,417
State Revenue Sharing	41,074
Fire Insurance Rebate	39,306
On Behalf Payments - State Supplemental Pay	24,000
Grant Income	120,277
Interest	8,060
Other Revenues	<u>81,851</u>
Total Revenues	1,028,985
Expenditures:	
Public Safety - Fire Protection:	
Salaries & Related Benefits	456,829
State Supplemental Pay	24,000
Insurance	92,295
Pension Fund Mandate	24,586
Repairs & Maintenance	22,769
Fuel & Oil	13,066
Professional Fees	21,323
Supplies	1,101
Gear & Uniforms	3,594
Utilities	24,200
Election Expense	7,771
Telephone	9,303
Office Supplies & Postage	4,359
Training	652
Dues & Subscriptions	1,268
Miscellaneous	2,809
Capital Outlay	<u>129,624</u>
Total Expenditures	<u>839,549</u>
Net Change in Fund Balance	189,436
Fund Balance - Beginning of the Year	<u>969,726</u>
Fund Balance - End of the Year	<u><u>\$ 1,159,162</u></u>

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

Washington Parish Fire Protection District No. 7
Bogalusa, Louisiana

Exhibit F

Reconciliation of the Governmental Fund Statement of Revenues, Expenditures, and
Change in Fund Balance to the Government-Wide Statement of Activities
For the Year Ended December 31, 2024

Net Change in Fund Balance, Governmental Fund (Exhibit E)	\$ 189,436
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Amounts reported for governmental activities in the statement of activities are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. These differences consist of:

Capital Outlay	129,624
Depreciation Expense	(91,415)

In accordance with Governmental Accounting Standards Board Statement No. 68, the net pension liability related pension plans is not required to be recorded in the governmental fund financial statements. Adjustments to pension expense related to charges in deferred outflows of resources and deferred inflows of resources are reflected in the statement of activities:

Net Change in Pension Expense	12,638
Contributions from Non-Employer Contributing Entities	31,494

Compensated absences payable is recorded as an expense on the statement of activities.

Increase (Decrease) in Compensated Absences Payable	<u>(5,673)</u>
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Change in Net Position of Governmental Activities (Exhibit B)	<u>\$ 266,104</u>
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The accompanying notes are an integral part of these financial statements.

Washington Parish Fire Protection District No. 7

Bogalusa, Louisiana

Notes to Financial Statements

For the Year Ended December 31, 2024

Narrative Profile

The 1991 Louisiana Legislature, pursuant to Louisiana Revised Statute 40:1496.12(F), created the Washington Parish Fire Protection District No. 7 (the "District"). The District shall constitute a public corporation and as such shall have all the powers of public corporations, including perpetual existence and the right and power to incur debt and contract obligations, to sue and be sued, and to have a corporate seal. The District shall also be authorized to do and perform all acts in its corporate capacity and in its name, necessary and proper, for the purposes of acquiring, maintaining and operating buildings, machinery, equipment, water tank, water hydrants, water lines, and such other things as might be necessary or proper for effective fire prevention and control as considered necessary by the governing body of the District for the protection of the property within the limits of the District against fire.

The governing body of the parish shall appoint an eight-member board that shall perform all duties, functions, and powers responsible for the operation and maintenance of the District. All funds of the District shall be administered by the board. Members of the Board of Commissioners may be paid a per diem of fifty dollars for attending meetings of the board and may be reimbursed for any expenses incurred in performing the duties imposed upon them.

The District covers 155 square miles in the southeastern corner of Washington Parish, outside the city limits of Bogalusa, Louisiana. It serves approximately 7,000 people and businesses located within the boundaries of the District. The District operates out of six fire stations which are located as follows: Station number 1 is located in the Isabel community; station number 2, the Central Station, is located in the Ben's Ford community; station number 3 is located in Rio; station 4, located on Highway 10 just west of Bogalusa; station 5, located on Highway 439 at Lee Road; and station 6 is located on Highway 21. At December 31, 2024, the District employed 3 full-time fire fighters and a part-time clerk, but mainly operates with a volunteer staff of firefighters.

1. Summary of Significant Accounting Policies

A. Financial Reporting Entity

Section 2100 of the GASB Codification, Defining the Financial Reporting Entity, established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the District is considered a component unit of the Washington Parish Council. As a component unit, the accompanying financial statements are included within the reporting of the primary government, either blended into those financial statements or separately reported as discrete component units.

B. Fund Accounting

The District uses fund accounting to maintain its financial records and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain District functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts.

Washington Parish Fire Protection District No. 7

Bogalusa, Louisiana

Notes to Financial Statements (Continued)

For the Year Ended December 31, 2024

Governmental Funds

Governmental funds account for all of the District's general activities. These funds focus on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may be used. Current liabilities are assigned to the fund from which they will be paid. The difference between a governmental fund's assets and liabilities is reported as fund balance. In general, fund balance represents the accumulated expendable resources that may be used to finance future period programs or operations of the District. The following is the District's governmental fund:

General Fund – the primary operating fund of the District, which accounts for all the operations of the District, except those required to be accounted for in other funds.

C. Measurement Focus / Basis of Accounting

Basic Financial Statements – Government-Wide Financial Statements

The statement of net position and the statement of activities display information about the District as a whole. These statements include all the financial activities of the District with most of the interfund activities removed. Information contained in these columns reflects the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets, and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

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. Program revenues 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. Interest earnings and other revenues not properly included among program revenues are reported instead as general revenues.

The District does not allocate indirect expenses.

Basic Financial Statements – Governmental Funds

The amounts reflected in the General Fund are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach is then reconciled, through adjustment, to a government-wide view of the District's operations.

The amounts reflected in the General Fund use the modified accrual basis of accounting. Under this basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available).

Washington Parish Fire Protection District No. 7

Bogalusa, Louisiana

Notes to Financial Statements (Continued)

For the Year Ended December 31, 2024

Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The District considers all revenues available if they are collected within 60 days after the fiscal year end. Expenditures are recorded when the related liability is incurred, except for interest and principal payments on long-term debt, which are recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. The governmental funds use the following practices in recording revenues and expenditures:

Revenues – Revenues are generally recognized when they become measurable and available as net current assets. Taxes, state revenue sharing, grants, interest revenue, and other revenues are recorded when due.

Expenditures – Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

Reconciliation – Explanation of differences between the governmental funds balance sheet and the government-wide statement of net position is presented in Exhibit D of the basic financial statements. Explanation of differences between the governmental funds statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities is presented in Statement F of the basic financial statements.

D. Budgets and Budgetary Accounting

The District adopted an operating budget for its General Fund for the fiscal year ended December 31, 2024. The budget for this fund is adopted on the modified accrual basis of accounting consistent with generally accepted accounting principles (GAAP). The District follows these procedures in establishing the budgetary data reflected in these financial statements:

1. A designated Board Member prepares a proposed budget and submits it to the Board of Commissioners no later than fifteen days prior to the beginning of each fiscal year.
2. A summary of the proposed budget is published and the public notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
3. A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing.
4. Once a public hearing is held and all of the action necessary to finalize and implement the budget is completed, the budget is adopted through the passage of a resolution prior to the commencement of the fiscal year for which the budget is adopted.

The adopted budget constitutes the authority of the District to incur liabilities and authorize expenditures from the respective budgeted funds. Additionally, certain expenditures are approved monthly by the Board before payment.

Washington Parish Fire Protection District No. 7

Bogalusa, Louisiana

Notes to Financial Statements (Continued)

For the Year Ended December 31, 2024

E. Deposits and Investments

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, interest bearing demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. Under state law, the District may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana. In addition, 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.

Investments for the District are reported at cost.

F. Receivables and Payables

All trade and tax receivables are shown net of an allowance for uncollectible tax.

Property Taxes

Property taxes are levied on a calendar year basis and become due on January 1 of each year. The taxes are generally collected in December of the current year, and January and February of the ensuing year. For the year 2024, taxes of 22.99 mills were levied on property within the District's boundaries. Total taxes levied were \$724,895. At December 31, 2024, the ad valorem tax receivable was \$685,812. Ad valorem taxes receivable at December 31, 2024, are recorded net of a 2.0% allowance for uncollectible taxes totaling \$14,498.

State Revenue Sharing

For the year 2024, the District received \$41,074 in Louisiana State Revenue Sharing. At December 31, 2024, state revenue sharing receivable totaled \$41,074. The District considers this receivable fully collectible and, therefore, has not recorded an allowance for uncollectible state revenue sharing.

G. Inventories

Purchase of various operating supplies are regarded as expenditures at the time purchased, and inventories of such supplies (if any) are not recorded as assets at the close of the fiscal year.

H. Prepaid Items

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

I. Capital Assets

Capital assets are recorded as expenditures of the governmental funds and as assets in the government-wide financial statements, to the extent the District's capitalization threshold of \$500 is met. Capital assets are valued at historical cost or estimated historical cost if actual cost was not available. Donated capital assets are valued at their estimated fair market value at the date of donation.

Washington Parish Fire Protection District No. 7

Bogalusa, Louisiana

Notes to Financial Statements (Continued)

For the Year Ended December 31, 2024

J. Compensated Absences

The District has the following policy relating to vacation and sick leave for its employees:

1. Vacation Leave – After completing one full year of service (and thereafter upon completion of subsequent years of service) paid firefighters will earn 216 hours of paid vacation per year. Upon completing one year of service, this annual benefit will increase by 12 hours for each year of service over ten years, up to a maximum vacation period of 360 hours. The District will pay for all earned but unused vacation at the time of termination.
2. Sick Leave – Permanent paid firefighters are entitled to fifty-two weeks of paid sick leave. All accumulated sick leave lapses upon termination.

The entire compensated absence liability is reported on the government-wide financial statements. For governmental fund financial statements, the current portion of unpaid compensated absences is the amount that is normally expected to be paid using expendable available financial resources. These amounts are recorded in the account “compensated absences payable” in the fund from which the employees who have accumulated leave are paid. The noncurrent portion of the liability is not reported. At December 31, 2024, compensated absences payable of \$6,847 was reported in the fund financial statements.

K. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

L. Deferred Outflows and Inflows of Resources

The statement of net position reports a separate section for deferred outflows of financial resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense / expenditure) until then.

The District has deferred outflows of resources on the statement of net position that is the result of deferrals concerning bonded debt. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price.

Washington Parish Fire Protection District No. 7

Bogalusa, Louisiana

Notes to Financial Statements (Continued)

For the Year Ended December 31, 2024

M. Net Position

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

1. Net Investment in Capital Assets – consists of the historical cost of capital assets, including any restricted capital assets, net of accumulated depreciation, and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
2. Restricted – this component of net position consists of assets that have constraints that are externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or constraints imposed by law through constitutional provisions or enabling legislation.
3. Unrestricted – all other net position is reported in this category.

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

N. Fund Balance

In the governmental fund financial statements, fund balances are classified as follows:

1. Nonspendable Fund Balance – amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact.
2. Restricted Fund Balance – amounts that can be spent only for the specific purposes due to enabling legislation, State or Federal laws, or externally imposed by grantors, creditors, or citizens.
3. Committed Fund Balance – amounts that can be used only for the specific purposes determined by a formal action of the Board of Commissioners (the District's highest level of decision-making authority).
4. Assigned Fund Balance – amounts intended to be used by the District for specific purposes but do not meet the criteria to be classified as restricted or committed.
5. Unassigned Fund Balance – all amounts not included in other spendable categories.

When fund balance resources are available for a specific purpose in multiple classifications, the District will generally use the most restrictive funds first in the following order: restricted, committed, assigned, and unassigned as they are needed. However, the District's management reserves the right to selectively spend unassigned resources first and to defer the use of the other classified funds.

The District reported only unassigned fund balances as of December 31, 2024.

O. Newly Adopted Accounting Pronouncements

The GASB issued GASB Statement No. 101, *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences.

Washington Parish Fire Protection District No. 7

Bogalusa, Louisiana

Notes to Financial Statements (Continued)

For the Year Ended December 31, 2024

That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. 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 yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. The District adopted the provisions of GASB Statement No. 101 during 2024. The implementation of this standard had no impact on the District's financial statements as of December 31, 2024.

P. Estimates

The preparation of financial statements, in conformity with U.S. GAAP requires management to make estimates and assumptions that effect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

2. Stewardship, Compliance and Accountability

A. Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds. All annual appropriations lapse at year-end. See Note 1-D regarding operating budgets. The District complied with the Louisiana Local Government Budget Act in adopting and amending its budget for the year ended December 31, 2024.

B. Deposits and Investment Laws and Regulations

In accordance with state law, all uninsured deposits of funds in financial institutions must be secured with acceptable collateral valued at the lower of market or par. As reflected in Note 3 regarding cash and cash equivalents, the District complied with the deposits and investments laws and regulations.

C. Deficit Fund Equity

As of December 31, 2024, the District's general fund did not have a deficit fund equity.

3. Cash, Cash Equivalents, and Investments

As reflected on Exhibit A, the District has cash and cash equivalents totaling \$461,471 at December 31, 2024. These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the bank. These pledged securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

Washington Parish Fire Protection District No. 7

Bogalusa, Louisiana

Notes to Financial Statements (Continued)

For the Year Ended December 31, 2024

The following is a summary of cash and investments at December 31, 2024, with the related federal deposit insurance and pledge securities:

Bank Balances:

Insured (FDIC Insurance)	\$ 250,000
Uninsured and Collateralized:	
Irrevocable letters of credit issued by Federal Home Loan Bank of Dallas pledged	211,471
Uninsured and Uncollateralized	-
Total Deposits	<u>\$ 461,471</u>

Even though the pledged securities are not held in the entity's name, LRS 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within ten days of being notified by the District that the fiscal agent has failed to pay deposited funds upon demand.

Deposits collateralized by pledged securities are considered to be exposed to credit risk (Category 3) under the provisions of GASB Statement 40. Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a deposit policy for custodial risk. As of December 31, 2024, the District was in compliance with state law which requires any uninsured cash balances with the fiscal agent bank to be adequately collateralized by a pledge of securities or irrevocable letters of credit issued by the Federal Home Loan Bank of Dallas.

4. Receivables

Receivables represent revenues earned in 2024 and received in 2025 as follows:

Property Tax Receivable, Net of Allowance for Uncollectibles	\$ 685,812
State Revenue Sharing Receivable, Net of Allowance for Uncollectibles	<u>41,074</u>
Total	<u>\$ 726,886</u>

Ad valorem tax revenue and receivable has been recorded net of an allowance for uncollectible amounts. The allowance for uncollected taxes for 2024 is set at two percent of total assessed taxes and is based on historical averages. The allowance for uncollected ad valorem tax is adjusted periodically based on prior year collection experience.

Washington Parish Fire Protection District No. 7**Bogalusa, Louisiana**

Notes to Financial Statements (Continued)

For the Year Ended December 31, 2024

5. Capital Assets

Capital assets and depreciation activity as of and for the year ended December 31, 2024, are as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Capital Assets Not Being Depreciated:				
Land	\$ 23,000	\$ -	\$ -	\$ 23,000
Total Capital Assets Not Being Depreciated	23,000	-	-	23,000
Other Capital Assets:				
Fire Houses	636,871	-	-	636,871
Fire Trucks	1,967,542	-	-	1,967,542
Fire Equipment	269,327	118,584	-	387,911
Office Equipment	14,041	650	-	14,691
Other Equipment	33,701	10,390	-	44,091
Total Other Capital Assets	2,921,482	129,624	-	3,051,106
Less Accumulated Depreciation:	(2,333,151)	(91,415)	-	(2,424,566)
Total Other Capital Assets, Net	588,331	38,209	-	626,540
Total	<u>\$ 611,331</u>	<u>\$ 38,209</u>	<u>\$ -</u>	<u>\$ 649,540</u>

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 Building Improvements	10 - 40 Years
Furniture & Fixtures	5 - 10 Years
Vehicles	5 - 15 Years
Equipment	5 - 10 Years

6. Accounts Payable

Accounts payables at December 31, 2024, are as follows:

Accounts Payable	\$ 4,809
Payroll Liabilities	12,233
Accrued Wages Payable	-
Pension Fund Deduction Payable	-
Total	<u>\$ 17,042</u>

Washington Parish Fire Protection District No. 7
Bogalusa, Louisiana

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

7. Pension Plan – Firefighters’ Retirement System of Louisiana

General Information about the Pension Plan

Plan Description – Employees of the District are eligible for participation in the Firefighters’ Retirement System of Louisiana (the “Fire System”) – a cost-sharing, multiple-employer defined benefit pension plan administered by a Board of Trustees and established by Act 434 of the 1979 Regular Session of the Louisiana Legislature. The Fire System issues a publicly available financial report that can be obtained at www.lafirefightersret.com/finance.html. The report may also be obtained by writing to the Firefighters’ Retirement System, 3100 Brentwood Drive, Baton Rouge, LA 70809, or by calling (225) 925-4060.

Benefits Provided – Any person who becomes an employee as defined in LRS 11:2252 on and after January 1, 1980 shall become a member as a condition of employment. No person who has attained age fifty or over shall become a member of the System, unless the person becomes a member by reason of a merger or unless the System received an application for membership before the applicant attained the age of fifty. No person who has not attained the age of eighteen years shall become a member of the System. Any person who has retired from service under any retirement system or pension fund maintained basically for public officers and employees of the state, its agencies or political subdivisions, and who is receiving retirement benefits therefrom may become a member of this System, provided the person meets all other requirements for membership. Service credit from the retirement system or pension plan from which the member is retired shall not be used for reciprocal recognition of service with this System, or for any other purpose in order to attain eligibility or increase the amount of service credit in this System.

Deferred Retirement Option Plan – After completing 20 years of creditable service and age 50 or 25 years at any age, a member may elect to participate in the deferred retirement option plan (DROP) for up to 36 months.

Upon commencement of participation in DROP, employer and employee contributions to the System cease. The monthly retirement benefit that would have been payable is paid into the member’s DROP account. Upon termination of employment, a participant in the program has several options to receive their DROP benefit. A member may (1) elect to roll over all or a portion of their DROP balance into another eligible qualified plan, (2) receive a lump-sum payment from the account, (3) receive single withdrawals at the discretion of the member, (4) receive monthly or annual withdrawals, or (5) receive an annuity based on the DROP account balance. These withdrawals are in addition to the member’s regular monthly benefit. If employment is not terminated at the end of the 36 months, the participant resumes regular contributions to the System. No payments may be made from the deferred retirement option plan account until the participant retires.

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

Contributions – Per Act 434 of the 1979 Regular Session of the Louisiana Legislature, contribution rates for employees are established by state law and employer contribution rates are actuarially determined each year. Employees are required to contribute 10% of their annual pay. The District’s contractually required contribution rate for the year ended December 31, 2024 was 33.25% for the period January 2024 through June 2024 and 33.25% for the period July 2024 through December 2024. Contributions to the Fire System from the District were \$86,950 for the year ended December 31, 2024.

Washington Parish Fire Protection District No. 7

Bogalusa, Louisiana

Notes to Financial Statements (Continued)

For the Year Ended December 31, 2024

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2024, the District reported a liability of \$568,697 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on a projection of the District's December 31, 2024, contributions to the pension plan, relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2024, the District's proportion was 0.1011002%, which was a decrease of 0.001914% from its proportion measured as of June 30, 2023.

For the year ended December 31, 2024, the District recognized pension expense of (\$12,638). At December 31, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 42,696	\$ 13,525
Changes of Assumptions	24,329	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	5,753	-
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	28,347	159,112
District Contributions Subsequent to the Measurement Date	43,475	-
	<u>\$ 144,600</u>	<u>\$ 172,637</u>

The \$43,475 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended:	
December 31, 2025	(33,767)
December 31, 2026	28,848
December 31, 2027	(62,432)
December 31, 2028	(13,779)
December 31, 2029	3,871
Thereafter	5,747

Washington Parish Fire Protection District No. 7

Bogalusa, Louisiana

Notes to Financial Statements (Continued)

For the Year Ended December 31, 2024

Actuarial Assumptions – The total pension liability in the June 30, 2024, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Investment Rate of Return	6.90% per annum (net of fees)
Estimated Remaining Service Life	7 Years
Inflation	2.500% per annum
Salary Increases	Vary from 14.10% in the first two years of service and 5.20% with 3+ years of service; includes inflation and merit increases
Cost of Living Adjustments (COLAs)	For the purpose of determining the present value of benefits COLAs were deemed not to be substantively automatic and only those previously granted were included

For the June 30, 2024 valuation, assumptions for mortality rates were based on the following:

- For active members, mortality was set equal to the Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Employees.
- For annuitants and beneficiaries, mortality was set equal to the Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Healthy Retirees.
- For disabled retirees, mortality was set equal to the Pub-2010 Public Retirement Plans Mortality Table for Safety Disabled Retirees.
- In all cases, the base table was multiplied by 105% for males and 115% for females, each with full generational projection using the appropriate MP-2019 scale.

The long-term expected real rate of return is an important input into the actuary's determination of the reasonable range for the discount rate which is used in determining the total pension liability. The actuary's method incorporates information from multiple consultants and investments firms regarding future expected rates of return, standard deviations, and correlation coefficients for each asset class. The process integrates data from multiple sources to produce average values thereby reducing reliance on a single data source. The June 30, 2024, estimated long-term expected rate of return on pension plan investments was determined by the System's actuary using the System's target asset allocation as of January 2024 and the Curran Actuarial Consulting average study for 2024. The consultant's average study included projected nominal rates of return, standard deviations of returns, and correlations of returns for a list of common asset classes collected from several investment consultants and investment management firms. Each consultant's response included nominal expected long term rates of return. In order to arrive at long-term expected arithmetic real rates of return, the actuary normalized the data received from responses in the following ways. Where nominal returns received were arithmetic, the actuary simply reduced the return assumption by the long-term inflation assumption. Where nominal returns were geometric, the actuary converted the return to arithmetic by adjusting for the long-term standard deviation and then reduced the assumption by the long-term inflation assumption. Using the target asset allocation for the System and the average values for expected real rates of return, standard deviation of returns, and correlation of returns, an arithmetic expected nominal rate of return and standard deviation for the portfolio was determined. Subsequent to the actuary's calculation of the long-term expected real rate of return in January 2024, the Board voted to amend the target asset allocation. These changes include an increase to target weight in U.S. public equity, a decrease to emerging market equity, and the inclusion of a target weight in multisector fixed income to further diversify fixed income exposures. The changes to the target asset allocation are reflected in the table below. The System's long-term assumed rate of inflation of 2.50% was used in the process for the fiscal year ended June 30, 2024.

Washington Parish Fire Protection District No. 7**Bogalusa, Louisiana**

Notes to Financial Statements (Continued)

For the Year Ended December 31, 2024

Best estimates of arithmetic real rates of return for each major class included in the System's target asset allocation as of June 30, 2024, are summarized in the following table:

Asset Class	Target Asset Allocation	Long-Term Expected Real Rate of Return
Equity:		
U.S. Equity	28.50%	6.24%
Non-U.S. Equity	11.00%	6.36%
Global Equity	10.00%	6.42%
Emerging Market Equity	4.50%	8.26%
Fixed Income:		
U.S. Core Fixed Income	22.00%	2.09%
U.S. TIPS	2.00%	2.00%
Emerging Market Debt	2.00%	4.05%
Global Multisector Fixed Income	4.00%	2.34%
Alternative:		
Private Equity / Private Debt	9.00%	9.77%
Real Estate	4.00%	4.85%
Real Assets	3.00%	5.93%

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

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 6.90%, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage-point lower (5.90%) or one percentage-point higher (7.90%) than the current rate:

	1.0% Decrease (5.90%)	Current Discount Rate (6.90%)	1.0% Increase (7.90%)
District's Proportionate Share of the Net Pension Liability	\$ 944,160	\$ 568,699	\$ 255,529

Pension Plan Fiduciary Net Position – Detailed information about the pension plan's fiduciary net position is available in the separately issued Fire System financial report.

Washington Parish Fire Protection District No. 7

Bogalusa, Louisiana

Notes to Financial Statements (Continued)

For the Year Ended December 31, 2024

Payables to the Pension Plan – As of December 31, 2024, the District had payables totaling \$6,880 due to the System, which represents the employee and employer's share of the December 2024 contributions.

8. Tax Abatement

The Washington Parish Assessor's office has notified the District that for the year ended December 31, 2024, there were no tax abatements for any taxpayers located within the boundaries of the District.

9. Compensated Absences

At December 31, 2024, employees of the District have accumulated and vested \$6,847 of employee vacation benefits, which were computed in accordance with GASB Codification Section C60. This amount is recorded as a liability in the government-wide statement of net assets.

10. On-Behalf Payments

Supplementary salary payments are made by the State of Louisiana directly to certain District employees. The District is not legally responsible for these salaries. Therefore, the basis for recognizing the revenue and expenditure payments is actual contributions made by the State. For the fiscal year ended December 31, 2024, the State paid supplemental salaries to the District's employees in the amount of \$24,000.

11. Compensation Paid to Board Members

The following schedule of per diem payments to Board members is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. The following is a breakdown of per diem paid to Board members:

Perry Talley, President (January - May)	\$	-
Raymond Myers, President (July - December)		-
Jason "Bear" Pierce, Board Member		-
Ronald Pittman, Vice President (January - September)		-
Timothy Slocum, Secretary / Treasurer (January - February)		-
Malcolm "Mac" Little, Board Member		-
Robert Kimbrell, Board Member (January - March)		-
Reginal "Bubba" Bourne, Board Member (April - current)		-
Dana Magee, Board Member (April - December)		-
Brett Creel, Board Member (December)		-
Bobbie Kimbrell, Board Member (August - December)		-
Joan Forcier-Miller, Board Member (February - current)		-
Total	\$	-

Washington Parish Fire Protection District No. 7

Bogalusa, Louisiana

Notes to Financial Statements (Continued)

For the Year Ended December 31, 2024

12. Contingent Liabilities

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. These risks are covered by a comprehensive commercial insurance policy and workers compensation insurance. Claims resulting from these risks have historically not exceeded insurance coverage. Therefore, no accrual for any loss contingency has been made in the financial statements.

13. Subsequent Events

Management has evaluated the subsequent events through the date that the financial statements were available to be issued, July 9, 2025. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

Required Supplemental Information

Washington Parish Fire Protection District No. 7Schedule 1**Bogalusa, Louisiana**

Schedule of Revenues, Expenditures, and Changes in Fund Balance –
 Budget and Actual
 For the Year Ended December 31, 2024

	Original Budget	Final Budget	Actual Amounts - Budgetary Basis	Variance with Final Budget Favorable / (Unfavorable)
Revenues:				
Ad Valorem Taxes	\$ 679,000	\$ 675,765	\$ 714,417	\$ 38,652
Fire Insurance Rebate	40,000	39,306	39,306	-
State Revenue Sharing	42,000	40,963	41,074	111
On Behalf - State Supplemental Pay	28,800	24,880	24,000	(880)
Grant Income	-	116,957	120,277	3,320
Interest	2,800	8,114	8,060	(54)
Other Revenues	-	80,892	81,851	959
Total Revenues	792,600	986,877	1,028,985	42,108
Expenditures:				
Public Safety - Fire Protection:				
Salaries & Related Benefits	497,000	529,000	456,829	72,171
State Supplemental Pay	28,800	24,880	24,000	880
Insurance	99,939	95,000	92,295	2,705
Pension Fund Mandate	-	-	24,586	(24,586)
Repairs & Maintenance	41,600	77,600	22,769	54,831
Fuel & Oil	17,061	14,000	13,066	934
Professional Fees	21,000	21,500	21,323	177
Supplies	2,500	1,500	1,101	399
Gear & Uniforms	9,000	4,500	3,594	906
Utilities	23,000	24,000	24,200	(200)
Election Expense	10,000	5,000	7,771	(2,771)
Telephone	12,000	10,000	9,303	697
Office Supplies & Postage	4,000	4,800	4,359	441
Training	1,500	1,500	652	848
Dues & Subscriptions	1,600	1,600	1,268	332
Miscellaneous	4,000	4,200	2,809	1,391
Capital Outlay	-	116,957	129,624	(12,667)
Total Expenditures	773,000	936,037	839,549	96,488
Excess (Deficiency) of Revenues over Expenditures	19,600	50,840	189,436	(138,596)
Fund Balance:				
Beginning of the Year	861,343	969,726	969,726	-
End of the Year	\$ 880,943	\$ 1,020,566	\$ 1,159,162	\$ (138,596)

See independent auditor's report.

Washington Parish Fire Protection District No. 7Schedule 2**Bogalusa, Louisiana**Schedule of the District's Proportionate Share of the Net Pension Liability
For the Year Ended December 31, 2024

Fiscal Year	District's Proportion of the Net Pension Liability	District's Proportionate Share of the Net Pension Liability	District's Covered Employee Payroll	District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2024	0.101002%	\$ 568,697	\$ 255,926	222.21%	81.68%
2023	0.099088%	\$ 646,728	\$ 275,498	234.75%	77.69%
2022	0.105510%	\$ 743,982	\$ 262,328	283.61%	74.68%
2021	0.104867%	\$ 371,633	\$ 252,393	147.24%	86.78%
2020	0.158052%	\$ 1,095,545	\$ 347,809	314.98%	72.61%
2019	0.150981%	\$ 945,429	\$ 575,597	164.25%	73.96%
2018	0.142923%	\$ 822,104	\$ 362,095	227.04%	74.76%
2017	0.126220%	\$ 723,474	\$ 344,322	234.83%	68.16%
2016	0.136740%	\$ 894,403	\$ 308,079	290.32%	38.16%
2015	0.105600%	\$ 569,843	\$ 224,384	253.96%	72.45%

* The amounts presented for each fiscal year were determined as of June 30 of that year

See independent auditor's report.

Washington Parish Fire Protection District No. 7Schedule 3**Bogalusa, Louisiana**

Schedule of the District's Contributions

For the Year Ended December 31, 2024

<u>Fiscal Year</u>	<u>Contractually Required Contribution</u>	<u>Contributions in Relation to the Contractually Required Contribution</u>	<u>Contribution Deficiency / (Excess)</u>	<u>District's Covered Employee Payroll</u>	<u>Contributions as a Percentage of Covered Employee Payroll</u>
2024	\$ 86,950	\$ 86,950	\$ -	\$ 255,926	33.97%
2023	\$ 90,628	\$ 90,628	\$ -	\$ 275,498	32.90%
2022	\$ 88,667	\$ 88,667	\$ -	\$ 262,328	33.80%
2021	\$ 83,423	\$ 83,423	\$ -	\$ 252,393	33.05%
2020	\$ 103,908	\$ 103,908	\$ -	\$ 347,809	29.88%
2019	\$ 106,674	\$ 106,674	\$ -	\$ 575,597	18.53%
2018	\$ 95,995	\$ 95,995	\$ -	\$ 362,095	26.51%
2017	\$ 78,487	\$ 78,487	\$ -	\$ 344,322	22.79%
2016	\$ 83,952	\$ 83,952	\$ -	\$ 308,079	27.25%
2015	\$ 75,959	\$ 75,959	\$ -	\$ 308,079	24.66%

* The amounts presented for each fiscal year were determined as of June 30 of that year

See independent auditor's report.

Other Supplemental Information

Washington Parish Fire Protection District No. 7Schedule 4**Bogalusa, Louisiana****Schedule of Compensation, Benefits and Other Payments to Agency Head
For the Year Ended December 31, 2024****Agency Head: Timothy 'Scott' Adams, Fire Chief**

(January 2024 - June 2024)

Purpose	Amount
Salary	\$ 47,284
Benefits - Insurance	3,090
Benefits - Retirement	13,660
Deferred Compensation	-
Benefits - Other - Supplemental Pay	3,300
Car Allowance	-
Vehicle Provided by Government	-
Vehicle Rental	-
Cell Phone	-
Dues	-
Per Diem	-
Reimbursements	-
Travel	-
Registration Fees	-
Conference Travel	-
Housing	-
Unvouchered Expenses	-
Special Meals	-
Other	-
	<u>\$ 67,334</u>

Agency Head: Mickey Turnage, Interim Fire Chief

(July 2024 - December 2024)

Purpose	Amount
Salary	\$ 45,375
Benefits - Insurance	3,246
Benefits - Retirement	11,785
Deferred Compensation	-
Benefits - Other - Supplemental Pay	3,600
Car Allowance	-
Vehicle Provided by Government	-
Vehicle Rental	-
Cell Phone	-
Dues	-
Per Diem	-
Reimbursements	-
Travel	-
Registration Fees	-
Conference Travel	-
Housing	-
Unvouchered Expenses	-
Special Meals	-
Other	-
	<u>\$ 64,006</u>

See independent auditor's report.

**Other Independent Auditor's Report and
Findings, Recommendations, and Responses**



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 Members of the Board of Commissioners of
Washington Parish Fire Protection District No. 7
Bogalusa, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the general fund of Washington Parish Fire Protection District No. 7 (the "District"), a component unit of Washington Parish Government, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated July 9, 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.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we considered to be material weaknesses and significant deficiencies.

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. We considered the deficiency described in the accompanying schedule of audit findings, recommendations and responses as items 2024-001 and 2024-003 to be material weaknesses.

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. We consider the deficiency described in the accompanying schedule of audit findings, recommendations and responses as items 2024-002 and 2024-004 to be significant deficiencies.

Report on Compliance and Other Matters

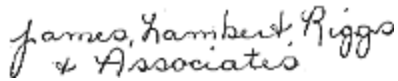
As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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* which are described in the accompanying schedule of findings, recommendations, and responses as items 2024-005 and 2024-006

Washington Parish Fire 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 audit findings, recommendations, and responses. The District's response was not subjected to the other 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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



James Lambert Riggs & Associates, Inc.
Hammond, Louisiana

July 9, 2025

Washington Parish Fire Protection District No. 7
Bogalusa, Louisiana
Schedule of Audit Findings, Recommendations, and Responses
For the Year Ended December 31, 2024

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 and the general fund of the Washington Parish Fire Protection District No. 7 as of and for the year ended December 31, 2024, and the related notes to the financial statements with collectively comprise Washington Parish Fire Protection District No. 7's basis financial statements, and have issued our report thereon dated July 9, 2025. Our audit of the basic financial statements as of December 31, 2024, resulted in an unmodified opinion.

Section I – Summary of Auditor's Reports

1. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control:

Material Weakness	<u>X</u>	Yes	___	No
Significant Deficiencies	<u>X</u>	Yes	___	No

Compliance:

Compliance Material to the Financial Statements	<u>X</u>	Yes	___	No
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2. Management Letter

Was a management letter issued?	___	Yes	<u>X</u>	No
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Section II – Financial Statement Findings

Internal Control over Financial Reporting

2024-001 – Financial Statement Preparation

Condition:

As is common in small organizations, management has chosen to engage the audit firm to propose certain year-end adjusting journal entries and to prepare the annual financial statements. Consistent with this decision, internal controls over the preparation of year-end adjusting entries and annual financial statements, complete with notes, have not been fully implemented. Under generally accepted auditing standards (GAAS), this condition represents a material weakness in internal controls. GAAS does not provide exceptions to reporting deficiencies that are adequately mitigated with non-audit services rendered by the auditor or deficiencies for which the remedy would be cost prohibitive or otherwise impractical.

This condition was also noted in the prior fiscal year.

Criteria:

Internal controls over the preparation of year-end adjusting entries and annual financial statements, complete with notes, are necessary in order for management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements of the financial statements on a timely basis.

Washington Parish Fire Protection District No. 7
Bogalusa, Louisiana
Schedule of Audit Findings, Recommendations, and Responses
For the Year Ended December 31, 2024

Cause:

This condition is intentional by management based on the District's lack of financial complexity, along with the cost prohibitive nature of acquiring the ability to prepare financial statements.

Potential Effect of Condition:

Management and employees are unable to prevent or detect and correct misstatements on a timely basis in the normal course of performing their assigned functions.

Recommendation:

We recommend no action be taken.

Management's Response:

See management's response dated July 29, 2025.

2024-02 – Update of District Written Policies and Procedures for Fiscal Controls

Condition:

During our audit and review of the District's written policies and procedures for fiscal controls, we noted that the District lacked adequate written policies and procedures over (1) Purchasing, (2) Payroll and Personnel, (3) Ethics, (4) Debt Service, (5) Information Technology Disaster Recovery / Business Continuity, and (6) Prevention of Sexual Harassment.

This condition was also noted in the prior fiscal year.

Criteria:

Written policies and procedures that require employees to follow specific procedures designed to provide strong effective fiscal controls should be developed in order for management and employees to prevent or detect error or irregularities in a timely manner and to adopt policies recommended by the Louisiana Legislative Auditor's Checklist of Best Practices in Government to be reviewed and tested on an annual bases by the Louisiana Legislative Auditor's State-Wide Agreed Upon Procedures.

Cause:

The cause of this condition appears to be that some of the written policies and procedures were developed several years ago, and have not been updated since that time.

Potential Effect of Condition:

The failure to adopt strong, effective written policies and procedures for fiscal controls and require employees to adhere to these written policies and procedures creates an environment in which errors or irregularities could occur and not be detected timely. Additionally, this could result in the District being in noncompliance with laws and regulations.

Recommendation:

We recommend the District update its current policies and procedures to incorporate all of the policies and procedures recommend by the Louisiana Legislative Auditor's Checklist of Best Practices in Government.

Management's Response:

See management's response dated July 29, 2025.

Washington Parish Fire Protection District No. 7
Bogalusa, Louisiana
Schedule of Audit Findings, Recommendations, and Responses
For the Year Ended December 31, 2024

2024-003 – Internal Control Deficiency over Bank Statement and Bank Reconciliation Review

Condition:

During the course of our audit and testing of internal control procedures over review of bank reconciliations, we noted the following weakness in the internal control procedures that if not corrected could result in errors, irregularities, or fraud occurring that would be material to the financial statements and not be detected or prevented in a timely manner by the District:

- All twelve of the monthly bank statements and bank reconciliations for 2024 were not documented as being reviewed by a member of the Board of Commissioners.

Criteria:

Strong internal controls over bank statement and bank reconciliation preparation and review are essential to prevent fraud, waste, abuse, or misappropriation of District resources. Internal controls should be suitably designed so that errors or other irregularities can be prevented, detected, and corrected in a timely manner by management or employees, in the normal course of performing their assigned duties.

Cause:

The cause of this condition appears to be inadequately designed controls over the supervisory review and approval of bank statements and completed bank reconciliations by a member of the Board of Commissioners

Potential Effect of Condition:

Lack of review of bank statements and bank reconciliations creates an environment where the board and District employees are unable to prevent fraud, waste, abuse, or misappropriations of District resources. This also does not allow for timely detection, and correction of misstatements by management and employees in the normal course of performing their assigned duties.

Recommendation:

We recommend the following specific actions to improve existing internal control procedures over bank statement and bank reconciliation preparation and review procedures:

- Follow best practices by the Louisiana Legislative Auditor in regards to bank statements being reviewed by a member of the Board within 30 days.
- Require that a member of the Board review the monthly bank reconciliation and perform the following:
 - Trace the bank balance to the bank statement for agreement.
 - Review all uncleared deposits, checks, and other items that create a difference between the bank's balance and the District's balance.
- Require that a member of the Board of Commissioners review the individual items clearing on the monthly bank statement paying particular attention to authorized signatures, payees, amounts, and check endorsements.
- Prepare a certification form, signed by the member of the Board of Commissioners reviewing the bank statement, certifying that they have completed their review of the monthly bank statement and reconciliation.

Management's Response:

See management's response dated July 29, 2025.

Washington Parish Fire Protection District No. 7
Bogalusa, Louisiana
Schedule of Audit Findings, Recommendations, and Responses
For the Year Ended December 31, 2024

2024-004 -Payroll Processing and Personnel Files

Condition:

During our audit and testing of payroll processing and personnel files, we noted the following weaknesses in internal control procedures that need to be improved:

- Employee personnel files that we reviewed did not contain a copy of the employee's salary changes as approved by the Board of Commissioners.
- Instances where hours from employee timesheets did not agree to the payroll accounting software in the number of hours designated as regular hours, scheduled overtime and unscheduled overtime, though the grand total hours agreed.
- Instances where timesheets prepared by employees did not contain the pay period covered.
- Inconsistent approval process for Fire Chief's timesheet. Per internal control discussions, a member of the Board is to approve the Fire Chief's timesheet. Some timesheets we reviewed contained a Board member signature, where others did not. However, a board member did document approval on the payroll summary of all employees before disbursement.
- One instance where two employees swapped shifts but were both credited for time worked. For the employee who did not work, vacation time should have been deducted.
- It appears on four timesheets that the number of hours for comp time was miscalculated for an overstated ending balance.
- It appears that the District calculates overtime compensation using employees' base hourly rates only. The calculation does not include additional hourly incentive pay (e.g., specialty pay, certification pay) that employees regularly receive.

Criteria:

Strong internal controls over personnel policies and procedures, time and attendance procedures, and payroll processing procedures are essential to help ensure written policies and procedures are followed, employees are paid the correct amount for actual time worked, and errors or other irregularities are discovered and corrected in a timely manner by employees performing their assigned tasks.

Cause:

The cause of this condition appears to be (1) improperly designed internal control policies and procedures for time and attendance; (2) adopted procedures not being followed; and (3) lack of oversight by management over the payroll processing functions.

Effect:

Failure to institute and adhere to strong internal control over personnel policies and procedures, time and attendance procedures, and payroll processing procedures creates an environment in which employees could be paid the incorrect pay rate, employees could be paid for work not performed, and other errors and irregularities that could occur and not be detected timely by employees performing their assigned tasks.

Recommendation:

We recommend the District immediately implement the following internal control procedures over personnel policies and procedures, time and attendance procedures, and payroll processing procedures:

- Each personnel file should include a signed document by the Board Chairman, or their designee, approving the employee's current pay rate and any future pay rate changes.
- Timesheets should be reconciled and agree to summary reports from the payroll accounting software, and any differences should be resolved prior to processing payroll checks.
- Employee timesheets should reflect the pay period dates that are relevant to the covered timeframe.
- A consistent review and approval processes should be utilized for all employees.

Washington Parish Fire Protection District No. 7
Bogalusa, Louisiana
Schedule of Audit Findings, Recommendations, and Responses
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- The Board of Commissioners and Fire Chief should review Louisiana Legislative Auditor's Checklist of Best Practices in Government for procedures related to time and attendance record keeping and the processing of payroll for employees.

Management's Response:

See management's response dated July 29, 2025.

Compliance and Other Matters

2024-005 — Failure to Complete Audit Report Within Six Months of the Close of the Fiscal Year

Condition:

The District did not comply with certain provisions of Louisiana law which require the annual audit to be completed by June 30, 2025.

Although a non-emergency extension until July 31, 2024 was granted to the District, Legislative Auditor guidelines require that a compliance finding be reported on all non-emergency extensions.

Criteria:

LRS 24:513(A)(5)(a)(i) requires the District to complete its annual audit in the following manner:

"In lieu of examinations of the records and accounts of any office subject to audit or review by the legislative auditor, the legislative auditor may, at his discretion, accept an audit or review report prepared by a licensed certified public accountant...Such audits shall be completed within six months of the close of the entity's fiscal year..."

Cause:

Additional time was needed to thoroughly review procedures surrounding payroll and meet with management of the District in a timely manner to review and finalize the audit report, which prevented report approval and subsequent submission by the June 30 deadline.

Potential Effect of Condition:

As a result of this issue, the District did not comply with reporting requirements of the Louisiana Legislative Auditor's office.

Recommendation:

We recommend that the District review the provisions of LRS 24:513 and the Louisiana Governmental Audit Guide and become familiar with the fiscal audit deadline and submission requirements.

Management's Response:

See management's response dated July 29, 2025.

2024-006 – Failure to Comply with the Local Government Budget Act

Condition:

The District did not comply with certain provisions of the Local Government Budget Act in adopting the original budget for the fiscal year end December 31, 2024 or the fiscal year ending December 31, 2025.

Washington Parish Fire Protection District No. 7
Bogalusa, Louisiana
Schedule of Audit Findings, Recommendations, and Responses
For the Year Ended December 31, 2024

Criteria:

Budget procedures applicable to the District are specified in state law, Louisiana Revised Statute (LRS) 39:1301-1315. The pertinent part of the law and manner in which the District did not comply are as follows:

- LRS 39:1309A – Adoption
“All action necessary to adopt and otherwise finalize and implement the budget for a fiscal year, including the adoption of any amendments to the proposed budget, shall be taken in open meeting and completed before the end of the prior fiscal year..”
- LRS 39:1312 – Governing authority’s failure to make appropriation
“If, at the end of any fiscal year, the appropriations necessary for the support of the political subdivision for the ensuing fiscal year have not been made, then fifty percent of the amounts appropriated in the appropriation ordinance or resolution for the last completed fiscal year shall be deemed reappropriated for the several objects and purposes specified in such appropriation ordinance or resolution.”

At the December 17, 2024 Public Board Meeting to adopt the amended 2024 and the original 2025 budget, the Board of Commissioners adopted the amended 2024 budget and tabled the adoption of the original 2025. The adoption of the original 2025 budget was still not completed as of the dates of the audit work and not adopted timely according to state law.

Cause:

The cause of this condition appears to be a lack of understanding of the specific requirements of the Local Government Budget Act by the District’s Board of Commissioners.

Potential Effect of Condition:

Failure to follow the precise requirements of the Local Government Budget Act resulted in the District not complying with the budget laws specified in LRS 39:1307 for the fiscal year ended December 31, 2024 and LRS 39:1307 and LRS 39:1312 for the fiscal year ended December 31, 2025.

Recommendation:

We recommend that the Board of Commissioners familiarize themselves with all aspects of the Local Government Budget Act and adopt the budget timely and according to LSR 39:1301-1315.

Management’s Response:

See management’s response dated July 29, 2025.

Management Letter

None

Washington Parish Fire Protection District No. 7

Bogalusa, Louisiana

Summary Schedule of Prior Audit Findings

For the Year Ended December 31, 2023

<u>Ref.#</u>	<u>Fiscal Year Findings Initially Occurred</u>	<u>Description of Findings</u>	<u>Corrective Action Taken</u>
<u>Internal Control over Financial Reporting</u>			
2023-001	2017	Financial Statement Preparation	None
2023-002	2022	Update of District Written Policies and Procedures for Fiscal Controls	None

Compliance and Other Matters

None

Management Letter

None

Note: This schedule has been prepared by management of Washington Parish Fire Protection District No. 7.



Washington Parish Fire Protection District No. 7

17380 Bill Booty Road • Bogalusa, LA 70427
Phone: (985) 732-5200 • Email: chief701@wpfd7.gov

Management and Board of Commissioners Response to 2024 Audit Findings

Date: July 2025

Introduction

The Board of Commissioners (BOC) and Management of Washington Parish Fire Protection District No. 7 have reviewed the findings presented in the 2024 Financial Audit. This response outlines our recognition of each finding and summarizes corrective actions taken during the 2024 and 2025 calendar years. Beginning the 2nd quarter of 2025 the Board of Commissioners engaged outside firms for legal and fire service specific management guidance and services to restructure Washington Parish Fire Protection District 7.

2024-001: Financial Statement Preparation

The District acknowledges that financial statement preparation remains the responsibility of the audit firm. In 2025, internal financial procedures were revised to improve year-end documentation and reconciliation accuracy. Management will continue pursuing external training and software improvements to strengthen internal capabilities over time.

2024-002: Written Policies and Procedures

The Board adopted a formal policy review and implementation plan in early 2024. By mid-2025, the District had implemented policies for compensation, overtime, incentive pay, credit card use, asset management, and public records access. Additional policies, including disaster recovery and harassment prevention, are under legal review and scheduled for board consideration.

2024-003: Bank Reconciliation Review

This issue has been addressed as of Q2 2025. The Finance Committee and BOC now receive and review monthly reconciliation summaries, with Board approval reflected in the minutes. Access to financial accounts has also been restricted to authorized personnel only.

2024-004: Payroll and Personnel Files

In 2024, the BOC undertook a comprehensive compensation audit. New pay protocols were adopted in 2025 including clarification of overtime calculation, elimination of comp time (except for contractual administrative positions), and the restructuring of incentive pay to per-period itemized bonuses. All pay policies are now in compliance with Louisiana law and FLSA standards.

2024-005: Audit Not Completed on Time

This delay was due to administrative transition and late access to historical records. Moving forward, audit preparation will follow a documented quarterly checklist and budget calendar to ensure timely completion.

2024-006: Noncompliance with Local Government Budget Act

The District has now fully aligned with the Budget Act. The 2025 budget was formally adopted and published with board minutes. Legal counsel and the District's designated finance administrator or designee are now tasked with reviewing future budgets before the statutory deadline.

Conclusion

Washington Parish Fire Protection District No. 7 remains committed to full legal compliance, transparent reporting, and operational accountability. This response is submitted in good faith with the intent to demonstrate our progress and affirm our continued improvement process.

Chairman: Jason Pierce

Signature: [Signature] Date: 07/29/2025

Secretary: Joan E. Miller

Signature: [Signature] Date: 07/29/2025

Finance: Reginald Bourne II

Signature: [Signature] Date: 07/29/2025

Board of Commissioners

Board@wpfd7.gov

Jason Pierce – Chairman
Mac Little – Member

Reginald "Bubba" Bourne – Vice Chairman
Lloyd Quave – Member
Matthew Penny – Member

Joan E. Forcier- Miller – Secretary
Tyler Pigott – Member

**WASHINGTON PARISH FIRE PROTECTION DISTRICT NO. 7
BOGALUSA, LOUISIANA**

STATEWIDE AGREED UPON PROCEDURES ENGAGEMENT

FOR THE YEAR ENDED DECEMBER 31, 2024

Dennis E. James, CPA
Paul M. Riggs, Jr., CPA
J. Bryan Ehricht, CPA
Megan E. Lynch, CPA
B. Jacob Steib, CPA
Lauren Kimble Smith, CPA
Lyle E. Lambert, CPA



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Society of Louisiana CPAs

Independent Accountants' Report on Applying Agreed-Upon Procedures for the Year Ended December 31, 2024

Mickey Turnage, Interim Fire Chief
and the Members of the Board of Commissioners
Bogalusa, Louisiana

Louisiana Legislative Auditor
Baton Rouge, Louisiana

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2024 through December 31, 2024. The Washington Parish Fire Protection District No. 7's (the "District") management is responsible for those C/C areas identified in the SAUPs.

The District has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period January 1, 2024 through December 31, 2024. 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 detailed in Schedule "A."

We were engaged by the 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 the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

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

James Lambert Riggs & Associates, Inc.
Hammond, Louisiana

July 9, 2025

1) Written Policies and Procedures

- A. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:
- i. ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.
 - **Results:** No exceptions were noted as a result of the above listed procedures.
 - ii. ***Purchasing***, including (1) how purchases are initiated, (2) how vendors are added to the vendor list, (3) the preparation and approval process of purchase requisitions and purchase orders, (4) controls to ensure compliance with the Public Bid Law, and (5) documentation required to be maintained for all bids and price quotes.
 - **Results:** The District does have a policy on Purchasing; however, the it does not include item (2) how vendors are added to the vendor list.
 - iii. ***Disbursements***, including processing, reviewing, and approving.
 - **Results:** No exceptions were noted as a result of the above listed procedures.
 - iv. ***Receipts / Collections***, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or 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).
 - **Results:** No exceptions were noted as a result of the above listed procedures.
 - v. ***Payroll / Personnel***, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee rates of pay or approval and maintenance of pay rate schedules.
 - **Results:** The District does not have a written policy on Payroll / Personnel that includes (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee rates of pay or approval and maintenance of pay rate schedules.
 - vi. ***Contracting***, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
 - **Results:** No exceptions were noted as a result of the above listed procedures.
 - vii. ***Travel and Expense Reimbursement***, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
 - **Results:** No exceptions were noted as a result of the above listed procedures.

viii. ***Credit Cards (and debit cards, fuel cards, purchase cards, if applicable)***, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).

- **Results:** No exceptions were noted as a result of the above listed procedures.

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

- **Results:** The District does have a policy on Ethics; however, it does not include items (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.

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

- **Results:** The District does have a policy on Debt Service; however, it does not include items (2) continuing disclosure / EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

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

- **Results:** The District does not have a written policy on Information Technology Disaster Recovery / Business Continuity.

xii. ***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.

- **Results:** The District does have a policy on Prevention of Sexual Harassment; however, it does not include items (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

2) Board or Finance Committee

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

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

- **Results:** No exceptions were noted as a result of the above listed procedures.

- ii. For those entities reporting on the governmental accounting model, review the minutes from all regularly scheduled board / finance committee meetings held during the fiscal year and observe whether the minutes from at least one meeting each month referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual comparisons, at a minimum, on all proprietary funds, and semi-annual budget-to-actual comparisons, at a minimum, on all special revenue funds. *Alternatively, for those entities reporting on the not-for-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.*

- **Results:** No exceptions were noted as a result of the above listed procedures.

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

- **Results:** No exceptions were noted as a result of the above listed procedures.

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

- **Results:** The District did not provide the board / finance committee with written updates on the progress of resolving the prior year audit findings.

4) Collections (excluding electronic funds transfers)

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

- **Results:** No exceptions were noted as a result of the above listed procedures.

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

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

- **Results:** No exceptions were noted as a result of the above listed procedures.

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

- **Results:** One employee responsible for collecting cash is also making bank deposits as well.

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

- **Results:** No exceptions were noted as a result of the above listed procedures.

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

- **Results:** No exceptions were noted as a result of the above listed procedures.

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

- **Results:** No exceptions were noted as a result of the above listed procedures.

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

- i. Observe that receipts are sequentially pre-numbered.

- **Results:** No exceptions were noted as a result of the above listed procedures.

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

- **Results:** No exceptions were noted as a result of the above listed procedures.

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

- **Results:** No exceptions were noted as a result of the above listed procedures.

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

- **Results:** For the two randomly selected deposits, there was no documentation / evidence to indicate whether or not the deposits were made within one business day of receipt.

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

- **Results:** No exceptions were noted as a result of the above listed procedures.

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

- A. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).
- B. For each location selected under procedure #5A above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, then inquire of employees about their job duties), and observe that job duties are properly segregated such that
- i. At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order or making the purchase;
 - **Results:** No exceptions were noted as a result of the above listed procedures.
 - ii. At least two employees are involved in processing and approving payments to vendors;
 - **Results:** No exceptions were noted as a result of the above listed procedures.
 - iii. The employee responsible for processing payments is prohibited from adding / modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files;
 - **Results:** No exceptions were noted as a result of the above listed procedures.
 - iv. Either the employee / official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments; and
 - **Results:** One employee responsible for processing payments is also responsible for mailing the processed payments.
 - v. Only employees / officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.
 - **Results:** There was no evidence of approval from authorized check signers on electronically disbursed transactions.
- [Note: Findings related to controls that constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality) should not be reported.]
- C. For each location selected under procedure #5A 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
- i. Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation indicates that deliverables included on the invoice were received by the entity, and
 - **Results:** No exceptions were noted as a result of the above listed procedures.

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

- **Results:** No exceptions were noted as a result of the above listed procedures.

- D. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3A, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy. *Note: If no electronic payments were made from the main operating account during the month selected the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.*

- **Results:** For the sampled transactions, there was no evidence of approval from the required number of authorized signers.

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

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

- **Results:** No exceptions were noted as a result of the above listed procedures.

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

- i. Observe whether 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) were reviewed and approved, in writing (or electronically approved) by someone other than the authorized card holder (those instances requiring such approval that may constrain the legal authority of certain public officials, such as the mayor of a Lawrason Act municipality, should not be reported); and

- **Results:** No exceptions were noted as a result of the above listed procedures.

- ii. Observe that finance charges and late fees were not assessed on the selected statements.

- **Results:** No exceptions were noted as a result of the above listed procedures.

- C. Using the monthly statements or combined statements selected under procedure #7B 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 (e.g., each card should have 10 transactions subject to inspection). 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 observe whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

- **Results:** For all of the sampled transactions, there was no written documentation of the business / public purpose.



Washington Parish Fire Protection District No. 7

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Response to 2024 Agreed-Upon Procedures (AUP) Exceptions

Date: July 2025

Purpose

This response addresses the specific exceptions noted in the 2024 Agreed-Upon Procedures engagement, conducted under the guidelines of the Louisiana Legislative Auditor. The Board of Commissioners and Management of Washington Parish Fire Protection District No. 7 have reviewed each area of exception and have taken or initiated corrective actions accordingly.

Written Policies

In 2024 and continuing into 2025, the District adopted or updated policies in the areas of purchasing, payroll/personnel, ethics, debt service, information technology, and prevention of sexual harassment. These policies were formally approved by the Board of Commissioners and will be reviewed annually moving forward. Implementation training and digital access to all policies has also been initiated.

Board or Finance Committee Oversight

As of Q2 2025, the District has implemented a written monthly reporting system and checklist. Prior year audit findings and corrective actions are now formally documented and reviewed at board meetings.

Collections

The District acknowledges the internal control risk posed by having the same employee collect and deposit funds. A separation of duties protocol has been initiated to require a second staff or board member to verify deposits. Additionally, the District is revising its deposit tracking to ensure deposits are made and documented within one business day of receipt.

Non-Payroll Disbursements

A dual review system for both paper and electronic disbursements has been implemented. All outgoing payments, including digital transactions, are now subject to board-approved signatory verification. Evidence of approval will be retained in both physical and digital formats going forward.

Credit Card Use

The District has adopted a formal credit card policy in 2024 requiring documentation of the business or public purpose for each transaction. Receipts and signed justifications are now mandatory for each use, and monthly reports are reviewed by the Board.

Conclusion

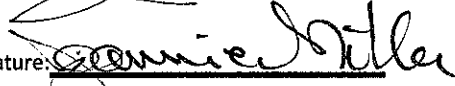
The Washington Parish Fire Protection District No. 7 has implemented significant improvements in operational and financial oversight during the past year. The District remains committed to full compliance with all Agreed-Upon Procedures requirements and will continue refining internal controls to prevent recurrence of noted exceptions.

Chairman: Jason Pierce

Signature: 

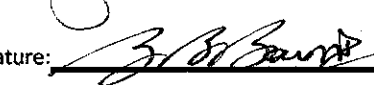
Date: 07/29/2025

Secretary: Joan E. Forcier-Miller

Signature: 

Date: 7/29/2025

Finance: Reginald Bourne II

Signature: 

Date: 07/29/2025

Board of Commissioners

Board@wpfd7.gov

Jason Pierce – Chairman
Mac Little – Member

Reginald "Bubba" Bourne – Vice Chairman
Lloyd Quave – Member
Matthew Penny – Member

Joan E. Forcier-Miller – Secretary
Tyler Pigott – Member