

**ST. TAMMANY PARISH
FIRE PROTECTION DISTRICT NO. 7**

Annual Financial Statements

December 31, 2025

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Independent Auditor's Report

To the Board of Commissioners
St. Tammany Parish Fire Protection District No. 7
Pearl River, Louisiana

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities and each major fund of St. Tammany Parish Fire Protection District No. 7 (the District), a component unit of St. Tammany Parish, Louisiana, as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District as of December 31, 2025, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our 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 GAAS 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 GAAS 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 management's discussion and analysis, beginning on page 5, the budgetary comparison schedule on pages 33 and 34, and the pension schedules on pages 35 and 36 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 the appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, 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.

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 schedule of governing board and the schedule of compensation, benefits, and other payments to agency head are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the schedule of governing board and the schedule of compensation, benefits, and other payments to agency head are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 27, 2026 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.



Baton Rouge, LA
May 27, 2026

REQUIRED SUPPLEMENTARY INFORMATION (PART I)
MANAGEMENT'S DISCUSSION AND ANALYSIS

ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 7

Management's Discussion and Analysis

Our discussion and analysis of St. Tammany Parish Fire Protection District No. 7's (the District) financial performance provides an overview of the District's financial activities for the fiscal year ended December 31, 2025.

The management's discussion and analysis (MD&A) is an element of the reporting model adopted by the Governmental Accounting Standards Board (GASB) in its Statement No. 34, issued in June 1999.

Financial Highlights

The financial statements included in this report provide insight into the financial status for the year-end. Based upon the 2025 operations, the District's net position increased by \$222,870 and resulted in an ending net position of \$2,391,647.

A summary of the basic government-wide financial statements is as follows:

Condensed Statements of Net Position December 31, 2025 and 2024

	2025	2024	Change
Current Assets	\$ 1,681,471	\$ 1,611,103	\$ 70,368
Capital Assets, Net	1,234,898	1,192,021	42,877
Total Assets	2,916,369	2,803,124	113,245
Deferred Outflows of Resources			
Pension	200,921	215,448	(14,527)
Current Liabilities	53,399	47,892	5,507
Non-Current Liabilities	466,025	673,189	(207,164)
Total Liabilities	519,424	721,081	(201,657)
Deferred Inflows of Resources			
Pension	206,219	128,714	77,505
Net Position			
Net Investment in Capital Assets	1,097,422	1,035,977	61,445
Unrestricted	1,294,225	1,132,800	161,425
Total Net Position	\$ 2,391,647	\$ 2,168,777	\$ 222,870

ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 7

Management's Discussion and Analysis

Condensed Statements of Activities For the Years Ended December 31, 2025 and 2024

	2025	2024	Change
Revenues			
Operating Grants and Contributions	\$ 57,815	\$ 35,462	\$ 22,353
Capital Grants and Contributions	161,693	-	161,693
General Revenues	1,351,649	1,289,061	62,588
Total Revenues	1,571,157	1,324,523	246,634
Expenses			
Public Safety - Fire Protection	1,338,862	1,123,501	215,361
Interest on Long-Term Debt	9,425	-	9,425
Total Expenses	1,348,287	1,123,501	224,786
Change in Net Position	222,870	201,022	21,848
Net Position, Beginning of Year	2,168,777	1,967,755	201,022
Net Position, End of Year	\$ 2,391,647	\$ 2,168,777	\$ 222,870

Total expenses for governmental activities were \$1,338,862 for the year, which was \$222,870 less than the taxes, grants, insurance recoveries, contributions, and investment earnings of \$1,571,157.

The interest earned on checking accounts was \$38,040 for the year.

Using this Annual Report

This report consists of a series of financial statements. The statement of net position and the statement of activities found on pages 10 and 11 provide information about the financial activities of the District and illustrate a longer-term view of the District's finances. Fund financial statements start on page 13. For governmental-type activities, these statements illustrate how these services were financed in the short-term and what remains for future spending. Fund financial statements also report the District's operations in more detail than the government-wide statements by providing information about the District's significant funds.

The District's independent auditor attests in his report that the basic financial statements are fairly stated. The auditor is providing varying degrees of assurance regarding the required supplementary information, the levels of which are illustrated in the independent auditor's report.

ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 7

Management's Discussion and Analysis

Reporting on the District as a Whole, the Statement of Net Position, and the Statement of Activities

Our analysis of the District as a whole begins on page 10. These statements help to illustrate the status of the District resulting from the activities of the last year. The statements include all assets and liabilities using the accrual basis of accounting. In this method, all of the current year's revenues and expenses are taken into account, regardless of when cash is paid or received.

The District's net position is determined by examining the difference in assets and liabilities. Examining the District's net position is an effective way to determine the financial status of the District. Increases and decreases in net position are indicators of the District's overall increasing or decreasing financial performance.

In the statement of net position and the statement of activities, the District reports only governmental-type activities, as well as grants. The majority of the District's activities are of this type. Taxes and grants finance most of the activities.

As with other sections of this financial report, the information contained within this MD&A should be considered only a part of the greater whole. The readers of these financial statements should take the time to read and evaluate all sections of this report, including the notes and the required and other supplementary information that are provided in addition to this MD&A.

Reporting the District's Most Significant Funds, Fund Financial Statements

The analysis of the District's major funds begins on page 13. The fund financial statements provide detailed information about the most significant funds rather than the District as a whole.

The District uses governmental-type funds. This includes the General Fund. All of the District's services are reported in the General Fund, which focuses on how money flows into and out of that fund and the balance left at year-end that is available for spending. This fund is reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's general government operations and the services it provides. Governmental fund information helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. The relationships (or differences) between governmental activities (reported in the statement of net position and the statement of activities) and governmental funds are described in reconciliations of the fund financial statements on pages 14 and 16.

The District's Funds

As previously mentioned, the District uses funds to help control and manage money for particular purposes. At the completion of the year, the District reported total fund balance of \$1,546,922. This reflects a decrease of \$3,174 from last year.

ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 7

Management's Discussion and Analysis

General Fund Budgetary Highlights

Information on the District's General Fund balance is reported on page 13. The General Fund's budgetary information is reported in the budgetary comparison schedule on pages 33 and 34.

Capital Assets

At the end of 2025, the District had \$2,902,361 invested in capital assets, including building, furniture, firefighting equipment, and vehicles, net of accumulated depreciation of \$1,667,463. More detailed information about the District's capital assets is presented in Note 5 to the financial statements.

Economic Factors and Next Year's Budgets and Rates

Taking all factors into consideration, the District's General Fund balance is expected to remain unchanged by the close of 2026.

Contacting the District's Financial Management

This financial report is designed to provide our citizens, taxpayers, and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. Any questions about this report or requests for additional information may be directed to: St. Tammany Parish Fire Protection District No. 7, 73469 Highway 41, Pearl River, LA 70452.

BASIC FINANCIAL STATEMENTS
GOVERNMENT-WIDE FINANCIAL STATEMENTS

ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 7
Statement of Net Position
December 31, 2025

	Governmental Activities
Assets	
Cash and Cash Equivalents	\$ 549,018
Receivables - Ad Valorem Taxes, Net	1,118,158
Receivables - State Revenue Sharing	14,295
Capital Assets, Net of Accumulated Depreciation	<u>1,234,898</u>
Total Assets	<u>2,916,369</u>
Deferred Outflows of Resources	
Deferred Outflows on Pension Obligation	<u>200,921</u>
Liabilities	
Accounts Payable	15,211
Accrued Expenses	18,499
Noncurrent Liabilities	
Compensated Absences	8,226
Leases Payable	
Due Within One Year	19,689
Due in More Than One Year	117,787
Net Pension Liability	<u>340,012</u>
Total Liabilities	<u>519,424</u>
Deferred Inflows of Resources	
Deferred Inflows on Pension Obligation	<u>206,219</u>
Net Position	
Net Investment in Capital Assets	1,097,422
Unrestricted	<u>1,294,225</u>
Total Net Position	<u><u>\$ 2,391,647</u></u>

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

ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 7
Statement of Activities
For the Year Ended December 31, 2025

Function/Program	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Capital Grants and Contribution	Operating Grants and Contributions	
Governmental Activities				
Public Safety - Fire Protection	\$ 1,338,862	161,693	\$ 57,815	\$ (1,119,354)
Interest on Long-Term Debt	9,425	-	-	(9,425)
Total	\$ 1,348,287	161,693	\$ 57,815	(1,128,779)
General Revenues				
Ad Valorem Taxes				1,200,440
Insurance Recoveries				7,997
Interest				38,040
Fire Insurance Premium Tax				49,658
Other Income				15,251
State Revenue Sharing				21,443
Cell Tower Lease				18,820
Total General Revenues				1,351,649
Change in Net Position				222,870
Net Position, Beginning of Year				2,168,777
Net Position, End of Year				\$ 2,391,647

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

**BASIC FINANCIAL STATEMENTS
FUND FINANCIAL STATEMENTS**

ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 7
Balance Sheet
Governmental Funds
December 31, 2025

	General Fund
Assets	
Cash and Cash Equivalents	\$ 549,018
Receivables - Ad Valorem Taxes, Net	1,118,158
Receivables - State Revenue Sharing	<u>14,295</u>
Total Assets	<u><u>\$ 1,681,471</u></u>
Liabilities	
Accounts Payable	\$ 15,211
Accrued Expenses	<u>18,499</u>
Total Liabilities	<u>33,710</u>
Deferred Inflows of Resources	
Unavailable Ad Valorem Taxes	<u>100,839</u>
Fund Balance	
Unassigned	<u>1,546,922</u>
Total Fund Balance	<u>1,546,922</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u><u>\$ 1,681,471</u></u>

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

ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 7
Reconciliation of the Governmental Fund Balance Sheet
to the Statement of Net Position
December 31, 2025

Total Fund Balance	\$ 1,546,922
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.	1,234,898
Deferred inflows of resources - unavailable ad valorem taxes are not reported on government-wide financial statements.	100,839
Compensated absences are not due and payable in the current period and, therefore, are not reported in the funds.	(8,226)
Long-term liabilities that are not due and payable in the current period and therefore, are not reported in the funds.	
Leases Payable	(137,476)
In accordance with GASB 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	(340,012)
Deferred Outflows of Resources	200,921
Deferred Inflows of Resources	<u>(206,219)</u>
Net Position of Governmental Activities	<u><u>\$ 2,391,647</u></u>

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

ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 7
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Year Ended December 31, 2025

	General Fund
Revenues	
Ad Valorem Taxes	\$ 1,131,284
Interest	38,040
Fire Insurance Premium Tax	49,658
Other Income	64,855
Intergovernmental Revenue	191,393
State Revenue Sharing	21,443
Cell Tower Lease	18,820
Total Revenues	1,515,493
Expenditures	
Public Safety - Fire Protection	
Salaries and Benefits	835,715
Repairs	137,666
Insurance	103,668
Dispatching	38,535
Professional Services	36,388
Fuel	26,252
Firefighting Supplies	25,230
Office	23,504
Utilities	20,562
Training	6,490
Other	4,839
Telephone	2,640
Debt Service - Principal	18,568
Debt Service - Interest	9,425
Capital Outlay	229,185
Total Expenditures	1,518,667
Net Change in Fund Balance	(3,174)
Fund Balance, Beginning of Year	1,550,096
Fund Balance, End of Year	\$ 1,546,922

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

ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 7
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balance of Governmental Funds
to the Statement of Activities
For the Year Ended December 31, 2025

Net Change in Fund Balance - Total Governmental Funds	\$ (3,174)
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Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures.

However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.

84,484

The net effect of transactions involving capital assets. These transactions are not reported in the governmental funds:

Gain on Disposition of Capital Assets

(41,607)

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

Compensated Absences Payable

-

The issuance of long-term debt provides current financial resources of governmental funds, while the payment of principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however has any effect on net position:

Repayment of Lease Liabilities

-
18,568

Governmental funds report retirement contributions as expenditures, but pension expense on the statement of activities includes the change in net pension liability as well as the change in deferred inflows and outflows of resources related to pensions.

95,443

Revenues on the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds:

Change in Unavailable Ad Valorem Taxes

69,156

Change in Net Position of Governmental Activities

\$ 222,870

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

ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 7

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies

Reporting Entity

St. Tammany Parish Fire Protection District No. 7 (the District) was created by St. Tammany Parish, Louisiana (the Parish), as authorized by Louisiana Revised Statute (R.S.) 40:1492, on August 20, 1972, to purchase and maintain fire equipment and provide fire protection for the residents of District No. 7 of St. Tammany Parish. The District is governed by a five-member board which is appointed by the Parish.

The financial reporting entity consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

In accordance with Governmental Accounting Standards Board (GASB) Codification Section 2100, the District is a component unit of the Parish because the Parish appoints members of the District and, as such, is financially accountable for the District. While the District is an integral part of the Parish reporting entity and should be included within the financial statements of that reporting entity, GASB Codification Section 2600 provides that a component unit may also issue financial statements separate from those of the reporting entity. Accordingly, the accompanying financial statements present information only on the funds maintained by the District and do not present information on the Parish, the general government services provided by that governmental unit, or the governmental units that comprise the financial reporting entity.

Basis of Presentation

The accompanying basic financial statements of the District have been prepared in conformity with governmental accounting principles generally accepted in the United States of America (U.S. GAAP). The GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, issued in June 1999, as amended by GASB Statement No. 63 in June 2011.

Government-Wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 7

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Basis of Presentation (Continued)

Government-Wide Financial Statements (Continued)

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. Taxes and other items not properly included among program revenues are reported instead as general revenues. Separate financial statements are provided for the governmental funds.

Fund Financial Statements

The District uses funds to maintain its financial records during the year. 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. The emphasis on fund financial statements is on major funds, each displayed in a separate column. A fund is considered major if it is the primary operating fund of the District or the total assets, liabilities, revenues, or expenditures of the individual governmental fund is at least 10% of the corresponding total for all governmental funds.

The District reports the following major governmental fund:

General Fund

The General Fund is the District's primary operating fund. It accounts for all financial resources of the District, except those required to be accounted for in another fund.

Measurement Focus / Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Ad valorem taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balance 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 the government-wide financial statements.

ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 7

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Measurement Focus / Basis of Accounting (Continued)

Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are generally recorded when a liability is incurred. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Ad valorem taxes are considered to be collected when they are collected by the St. Tammany Parish Sheriff. Ad valorem taxes collected after 60 days are recorded as a deferred inflow on the governmental fund balance sheet. State revenue sharing associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the District.

Budgets and Budgetary Accounting

The District adopts an annual budget for the General Fund on the cash basis of accounting. The budget is legally adopted and amended as necessary by the District.

Cash and Cash Equivalents and Investments

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

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

Receivables

All receivables are reported net of estimated uncollectible amounts. The allowance for uncollectible ad valorem taxes was \$25,204, which represents 2% of the total ad valorem tax receivable at December 31, 2025. This estimate is based on the District's history of collections within this revenue stream.

ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 7

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Deferred Outflows / Inflows of Resources

Deferred outflows of resources represent a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense) until then. Deferred inflows of resources represent an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The District has the following items that are reported as deferred inflows or outflows of resources: deferred inflows / outflows of resources related to pensions and unavailable revenue. Unavailable revenue arises only under a modified accrual basis of accounting, so it is reported only on the governmental funds balance sheet.

Capital Assets

Capital assets, which include property, equipment, and buildings, are reported in the governmental activities column in the government-wide financial statements. Capital assets are capitalized at historical cost. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The District maintains a threshold level of \$500 or more for capitalizing capital assets.

The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend assets' lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. The following estimated useful lives and methods are used to compute depreciation:

Buildings and Improvements	40 Years	Straight-Line
Vehicles	5 - 20 Years	Straight-Line
Equipment	5 - 20 Years	Straight-Line

Depreciation expense amounted to \$144,702 for the year ended December 31, 2025.

Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Firefighters' Retirement System of Louisiana (the System) and additions to / deductions from the System's fiduciary net position have been determined on the same basis as they are reported by the System. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 7

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Equity Classifications

In accordance with GASB Statement No. 34, as amended by GASB Statement No. 63, net position is classified into three components: net investment in capital assets, restricted, and unrestricted. These classifications are defined as follows:

1. *Net Investment in Capital Assets* - This component of net position 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, plus deferred outflows of resources, less deferred inflows of resources, related to those assets.
2. *Restricted* - This component of net position consists of assets that have constraints that are externally imposed by creditors (such as through debt covenants), 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 an expense is incurred for purposes for which both restricted and unrestricted net position are available, the District's policy is to apply restricted net position first.

In the governmental fund financial statements, fund balances are classified as follows, in accordance with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*:

1. *Restricted Fund Balance* - Amounts that can be spent only for specific purposes because of state or federal laws, or externally imposed conditions by grantors, creditors, or contributors.
2. *Assigned Fund Balance* - Amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority.
3. *Unassigned Fund Balance* - All amounts not included in other spendable classifications.

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

ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 7

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

The District adopted the following accounting pronouncement during the year ended December 31, 2025:

GASB Statement No. 102, *Certain Risk Disclosures*

The objective of the Statement is to provide users of government financial statements with essential information about risks related to government's vulnerabilities due to certain concentrations or constraints. The adoption of the Statement did not have a significant affect on the financial statements for the year ended December 31, 2025.

New Accounting Pronouncements - Upcoming

GASB Statement No. 103, *Financial Reporting Model Improvements*

The objective of the Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. The Statement is effective for fiscal years beginning after June 15, 2025.

GASB Statement No. 104, *Disclosure of Certain Capital Assets*

The objective of the Statement is to provide users of government financial statements with essential information about certain types of capital assets. The Statement is effective for fiscal years beginning after June 15, 2025.

GASB Statement No. 105, *Subsequent Events*

The objective of the Statement is to improve the financial reporting requirements for subsequent events, thereby enhancing consistency in their application and better meeting the information needs of financial statement users. The Statement is effective for fiscal years beginning after June 15, 2026.

Management is currently evaluating the effects of the new GASB pronouncements scheduled for implementation for the fiscal year ending December 31, 2026.

Note 2. Ad Valorem Taxes

Ad valorem taxes are recorded in the year taxes are levied. Ad valorem taxes are assessed on a calendar-year basis, billed in November of each year, and become delinquent on January 1st of the subsequent year.

ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 7

Notes to Financial Statements

Note 2. Ad Valorem Taxes (Continued)

The following is a summary of authorized and levied ad valorem taxes for 2024:

Taxes Due for:	Authorized Millage	Levied Millage	Millage Expiration Date
Maintenance	10.00	9.26	2031
Operations and Maintenance	5.00	4.63	2029
Operations and Maintenance	5.21	4.69	2036

Note 3. Cash and Cash Equivalents

The following is a summary of cash and cash equivalents (carrying value) at December 31, 2025:

Unrestricted Demand Deposits	<u>\$ 549,018</u>
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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 fiscal agent bank. These 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.

Custodial Credit Risk - Custodial credit risk is the risk that in the event of a bank failure the District's deposits may not be recovered. The District does not have a policy for custodial risk. At December 31, 2025, the District had \$549,841 in deposits (collected bank balances) of which \$-0- was exposed to custodial credit risk. This is due to the District's bank offering Insured Cash Sweep (ICS) service, in which the District's deposits are placed into accounts with various Federal Deposit Insurance Corporation (FDIC) insured institutions, ensuring there are no deposits with a single institution above the FDIC maximum of \$250,000.

Note 4. Fire Insurance Premium Tax

The District is eligible and receives a pro rata share of the fire insurance premium taxes collected by the State of Louisiana (the State), in accordance with R.S. 22:345. The amounts received by the District are based on the population of the areas that it serves. In accordance with the Revised Statutes, such money shall be used only for the purpose of "rendering more efficient and efficacious" fire protection, as the District shall direct. For the year ended December 31, 2025, the District received \$49,658 of such funds.

ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 7**Notes to Financial Statements**

Note 5. Capital Assets

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

	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets Not Being Depreciated				
Land	\$ 28,400	\$ -	\$ -	\$ 28,400
Capital Assets Being Depreciated				
Buildings and Improvements	691,274	-	(69,734)	621,540
Firefighting and Rescue Vehicles	1,532,804	-	(123,183)	1,409,621
Firefighting Equipment	708,627	205,536	(213,186)	700,977
Computer Equipment	40,711	-	(32,356)	8,355
Station Equipment	126,730	23,650	(16,912)	133,468
Total Capital Assets Being Depreciated	3,100,146	229,186	(455,371)	2,873,961
Less Accumulated Depreciation for:				
Buildings and Improvements	(416,411)	(14,392)	28,544	(402,259)
Firefighting and Rescue Vehicles	(783,253)	(87,258)	123,183	(747,328)
Firefighting Equipment	(584,831)	(37,494)	213,186	(409,139)
Computer Equipment	(38,705)	(869)	32,187	(7,387)
Station Equipment	(113,325)	(4,689)	16,664	(101,350)
Total Accumulated Depreciation	(1,936,525)	(144,702)	413,764	(1,667,463)
Total Capital Assets Being Depreciated, Net	1,163,621	84,484	(41,607)	1,206,498
Capital Assets, Net	\$ 1,192,021	\$ 84,484	\$ (41,607)	\$ 1,234,898

ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 7

Notes to Financial Statements

Note 6. Louisiana Firefighters' Retirement System Pension

The District began participating in the Firefighters' Retirement System of Louisiana (the System) in September 2016. The System issues a stand-alone report on its financial statements. Access to the audit report can be found on the System's website www.lafirefightersret.com.

Plan Description and Provisions

Substantially all employees of the District are members of the System, a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees. Benefit provisions are authorized within Act 434 of 1979 and amended by R.S. 11:2251-11:2272. The following is a brief description of the plan and its benefits and is provided for general information purposes only. Participants should refer to the appropriate statutes for more complete information.

Eligibility Requirements

Any person who becomes an employee as defined in R.S. 11:2252 on and after January 1, 1980 shall become a member as a condition of employment. No person who has attained age 50 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 50. No person who has not attained the age of 18 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 the 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 the System, or for any other purpose in order to attain eligibility or increase the amount of service credit in the System.

Retirement Benefits

Employees are eligible to retire at or after age 55 with at least 12 years of creditable service, at or after age 50 with at least 20 years of creditable service, or at any age with 25 years of creditable service. Upon retirement, members are entitled to a retirement benefit, payable monthly for life, equal to three and one-third percent of their final-average salary for each year of creditable service, not to exceed 100% of their final-average salary. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least 12 years of service and do not withdraw their employee contributions may retire at or after age 55 (or at or after age 50 with at least 20 years of creditable service at termination) and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 7

Notes to Financial Statements

Note 6. Louisiana Firefighters' Retirement System Pension (Continued)

Deferred Retirement Option Plan

After completing 20 years of creditable service and attaining the age of 50 years, 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 withdrawals may be made from the DROP account until the participant retires.

Initial Benefit Option Plan

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

Employer and Non-Employer Contributions

Employer contributions are actuarially determined each year. For the plan years ended June 30, 2024 and 2025, employer and employee contributions for members above the poverty line are 33.25% and 10.00%, respectively.

According to state statute, the System receives insurance premium assessments from the State. The assessment is considered support from a non-employer contributing entity and appropriated by the legislature each year based on an actuarial study. Non-employer contributions were recognized as revenue during the year ended December 31, 2025 and excluded from pension expense. Non-employer contributions made to the System on behalf of the District during the year ended December 31, 2025 were \$28,115.

ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 7

Notes to Financial Statements

Note 6. Louisiana Firefighters' Retirement System Pension (Continued)

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

At December 31, 2025, the District reported a liability of \$340,012 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2025, and was determined by actuarial valuation as of that date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all governments, actuarially determined. At June 30, 2025, the District's proportionate share was .080723%, which was a decrease of .01296% from its proportionate share measured as of June 30, 2024.

For the year ended December 31, 2025, the District recognized pension expense of \$40,823. At December 31, 2025, the District reported deferred outflows of resources and deferred inflows of resources relative to its pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	\$ 43,541	\$ 6,134
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	63,538
Changes in Proportion	77,927	136,547
Changes in Assumptions	15,502	-
District Contributions Subsequent to the Measurement Date	63,951	-
Total	\$ 200,921	\$ 206,219

In the year ended December 31, 2025, \$63,951 reported as deferred outflows of resources related to the District's contributions subsequent to the measurement date will be recognized. Other amounts reported as deferred inflows of resources and deferred outflows of resources will be recognized in pension expense as follows:

Year Ending June 30,	Amount
2026	\$ 16,298
2027	(50,057)
2028	(17,307)
2029	(6,404)
2030	(6,034)
2031	(5,745)
Total	\$ (69,249)

ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 7

Notes to Financial Statements

Note 6. Louisiana Firefighters' Retirement System Pension (Continued)

Actuarial Assumptions

A summary of the actuarial methods and assumptions used in determining net pension liability as of December 31, 2025 are as follows:

Valuation Date	June 30, 2025
Actuarial Cost Method	Entry Age Normal
Expected Remaining Service Lives	7 years, closed period
Investment Return	6.90% per annum, net of investing expenses, including inflation
Inflation Rate	2.50% per annum
Salary Increases	14.50% in the first two years of service and 5.20% with 3 or more years of service
Cost-of-Living Adjustments	Only those previously granted

Actuarial assumptions utilized in the Employer Pension Report for fiscal year 2025 are based on the results of an actuarial experience study for the period July 1, 2014 through June 30, 2019, unless otherwise specified.

For the June 30, 2025 valuation, assumptions for mortality rates were based on the following:

- For active members, mortality was set equal to the Pub-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.

ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 7

Notes to Financial Statements

Note 6. Louisiana Firefighters' Retirement System Pension (Continued)

Actuarial Assumptions (Continued)

The June 30, 2025 estimated long-term expected rate of return on pension plan investments was determined by the System's actuary using the System's target allocation as of January 2025 and the Curran Actuarial Consultant Average Study for 2024 (the Study). The Study included projected nominal rates of return, standard deviations of returns, and correlations of returns for a list of common asset classes collected from a number of investment consultants and investment management firms.

Using the target asset allocation for the System and the average values for expected real rates of returns, standard deviation of returns, and correlation of returns, an arithmetic expected nominal rate of return and standard deviation for the portfolio was determined. The System's long-term assumed rate of inflation of 2.50% was used in this process. The discount rate used to measure the total pension liability was 6.90%, no change from the prior measurement date.

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

Asset Class	Target Asset Allocation	Long-Term Expected Real Rate of Return
Equity		
U.S. Equity	27.0%	6.23%
Non-U.S. Equity	11.0%	6.36%
Global Equity	10.0%	6.50%
Emerging Market Equity	4.0%	8.26%
Fixed Income		
U.S. Core Fixed Income	23.0%	2.09%
U.S. TIPS	2.0%	2.00%
Emerging Market Debt	2.0%	4.05%
Global Multisector Fixed Income	5.0%	2.34%
Alternatives		
Private Equity	9.0%	9.77%
Real Estate	4.0%	4.85%
Real Assets	3.0%	5.93%
	<u>100.0%</u>	

ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 7

Notes to Financial Statements

Note 6. Louisiana Firefighters' Retirement System Pension (Continued)

Actuarial Assumptions (Continued)

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 to Changes in Discount Rate

The following presents the net pension liability of the District using the discount rate of 6.90% as well as what the liability would be if it were calculated using a discount rate that is one percentage point lower (5.90%) or one percentage point higher (7.90%) than the current rate as of June 30, 2025:

	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
District's Proportionate Share of the Net Pension Liability	\$ 656,059	\$ 340,012	\$ 76,556

Note 7. Notes Payable

The District entered into a lease agreement for the acquisition of fire protection equipment. These lease agreements qualify as financed purchases for accounting purposes and, therefore, have been recorded at the present value of their future minimum note payments as of the inception date.

The lease agreement is described as follows:

Lease dated April 18, 2024 for the acquisition of an 2024 Pierce Freighliner Pumper, maturing on April 18, 2031, with seven annual payments of \$27,993 including interest, secured by equipment.	\$ 137,476
Less: Due in One Year	(19,689)
Notes Payable - Long-Term Portion	\$ 117,787

ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 7

Notes to Financial Statements

Note 7. Notes Payable (Continued)

The future minimum note payable obligations and the net present value of these minimum payments as of December 31, 2025 are as follows:

Year Ending December 31,	Amount
2026	\$ 27,993
2027	27,993
2028	27,993
2029	27,993
2030	27,993
2031	27,993
Total Minimum Debt Service	167,958
Less: Amount Representing Interest	(30,482)
Present Value of Minimum Note Payments	\$ 137,476

At December 31, 2025, the book value of the financed purchases was \$500,439.

Note 8. Risk Management

The District is exposed to various risks of loss related to workers' compensation; torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters, for which the District carries commercial insurance. The District had no settled claims resulting from these risks that exceeded its commercial coverage in any of the past three fiscal years.

Note 9. On-Behalf Payments by the State of Louisiana

For the year ended December 31, 2025, the State of Louisiana made on-behalf payments in the form of supplemental pay to four full-time District firemen. In accordance with GASB Statement No. 24, the District has recorded \$29,700 of on-behalf payments as revenue and salary expense.

REQUIRED SUPPLEMENTARY INFORMATION (PART II)

ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 7
Schedule of Revenues, Expenditures, and Changes in Fund
Balance - Budget and Actual (Cash Basis) - General Fund
For the Year Ended December 31, 2025

	Budgetary Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
			(Budgetary	Favorable
			Basis)	(Unfavorable)
Revenues				
Ad Valorem Taxes	\$ 1,055,848	\$ 1,073,163	\$ 1,072,682	\$ (481)
Interest	30,000	37,000	38,040	1,040
Fire Insurance Premium Tax	45,800	49,658	49,658	-
Other Income	30,000	29,690	64,855	35,165
Intergovernmental Revenue	-	-	29,700	29,700
State Revenue Sharing	22,000	20,841	21,042	201
Cell Tower Lease	18,260	18,260	18,820	560
Total Revenues	1,201,908	1,228,612	1,294,797	66,185
Expenditures				
Public Safety - Fire Protection				
Salaries and Benefits	807,063	816,300	834,602	(18,302)
Repairs	85,000	145,000	158,013	(13,013)
Insurance	71,000	104,000	103,668	332
Dispatching	30,745	35,745	38,535	(2,790)
Professional Services	38,600	33,675	35,068	(1,393)
Fuel	30,000	25,000	25,047	(47)
Firefighting Supplies	10,000	10,605	15,229	(4,624)
Office	20,000	25,000	24,209	791
Utilities	23,000	19,000	20,562	(1,562)
Training	5,000	5,533	6,490	(957)
Other	16,500	38,500	4,839	33,661
Telephone	9,000	2,640	5,753	(3,113)
Debt Service - Principal	-	-	18,568	(18,568)
Debt Service - Interest	-	-	9,425	(9,425)
Capital Outlay	56,000	64,673	24,821	39,852
Total Expenditures	1,201,908	1,325,671	1,324,829	842
Net Change in Fund Balance	\$ -	\$ (97,059)	(30,032)	\$ 67,027
Fund Balance, Beginning of Year			579,050	
Fund Balance, End of Year			\$ 549,018	

See independent auditor's report.

ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 7
Schedule of Revenues, Expenditures, and Changes in Fund
Balance - Budget and Actual (Cash Basis) - General Fund (Continued)
For the Year Ended December 31, 2025

Note A. Reconciliation of Cash Basis to GAAP Basis

The District maintains its accounting records and prepares and adopts its budget under the cash basis of accounting. Accounting principles generally accepted in the United States of America (GAAP) require the statement of revenues, expenditures, and changes in fund balance for the General Fund to be reported using the modified accrual basis of accounting. The budgetary comparison schedule is presented using the cash basis, which is the same as the legally adopted budget. A reconciliation to the GAAP basis has been provided below:

	Actual Amounts (Budgetary Basis)	Budget to GAAP Adjustments	Actual Amounts GAAP Basis
Revenues			
Ad Valorem Taxes	\$ 1,072,682	\$ 58,602	\$ 1,131,284
Interest	38,040	-	38,040
Fire Insurance Premium Tax	49,658	-	49,658
Other Income	64,855	-	64,855
Intergovernmental Revenue	29,700	161,693	191,393
State Revenue Sharing	21,042	401	21,443
Cell Tower Lease	18,820	-	18,820
Total Revenues	1,294,797	220,696	1,515,493
Expenditures			
Public Safety - Fire Protection			
Salaries and Benefits	834,602	1,113	835,715
Repairs	158,013	(20,347)	137,666
Insurance	103,668	-	103,668
Dispatching	38,535	-	38,535
Professional Services	35,068	1,320	36,388
Fuel	25,047	1,205	26,252
Firefighting Supplies	15,229	10,001	25,230
Office	24,209	(705)	23,504
Utilities	20,562	-	20,562
Training	6,490	-	6,490
Other	4,839	-	4,839
Telephone	5,753	(3,113)	2,640
Debt Service - Principal	18,568	-	18,568
Debt Service - Interest	9,425	-	9,425
Capital Outlay	24,821	204,364	229,185
Total Expenditures	1,324,829	193,838	1,518,667
Net Change in Fund Balance	(30,032)	26,858	(3,174)
Fund Balance, Beginning of Year	579,050	971,046	1,550,096
Fund Balance, End of Year	\$ 549,018	\$ 997,904	\$ 1,546,922

See independent auditor's report.

ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 7
Schedule of District's Proportionate Share of the
Net Pension Liability
For the Year Ended December 31, 2025

	2025	2024	2023	2022	2021	2020	2019	2018	2017
District's Portion of the Net Pension Liability	0.080723%	0.093683%	0.986390%	0.075870%	0.071039%	0.106319%	0.108737%	0.094771%	0.056657%
District's Proportionate Share of the Net Pension Liability	\$ 340,012	\$ 527,487	\$ 643,798	\$ 534,982	\$ 251,752	\$ 736,955	\$ 680,901	\$ 545,130	\$ 324,749
District's Covered Payroll	\$ 274,411	\$ 270,062	\$ 287,056	\$ 198,845	\$ 192,169	\$ 264,691	\$ 262,803	\$ 226,754	\$ 140,675
District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	123.91%	195.32%	224.28%	269.04%	131.01%	278.42%	259.09%	240.41%	230.85%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	86.96%	81.68%	77.69%	74.68%	86.78%	72.61%	73.96%	74.76%	73.55%

This schedule is intended to show information for 10 years. Additional years will be displayed as they become available. 2016 data is not readily determinable.

See independent auditor's report.

ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 7
Schedule of District's Contributions
For the Year Ended December 31, 2025

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually Required Contribution	\$ 116,358	\$ 83,012	\$ 97,648	\$ 80,680	\$ 60,187	\$ 64,127	\$ 75,691	\$ 67,808	\$ 57,499	\$ 12,182
Contributions in Relation to the Contractually Required Contribution	(116,358)	(83,012)	(97,648)	(80,680)	(60,187)	(64,127)	(75,691)	(67,808)	(57,499)	(12,182)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's Covered Payroll	\$ 349,950	\$ 250,512	\$ 293,504	\$ 240,975	\$ 182,544	\$ 215,293	\$ 278,704	\$ 255,883	\$ 202,110	\$ 48,246
Contributions as a Percentage of Covered Payroll	33.25%	33.14%	33.27%	33.48%	32.97%	29.79%	27.16%	26.50%	28.45%	25.25%

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

See independent auditor's report.

OTHER SUPPLEMENTARY INFORMATION

ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 7
Schedule of Governing Board
For the Year Ended December 31, 2025

Board of Commissioners	Compensation
Shannon Thornhill, Chairman P.O. Box 37 Talisheek, LA 70464 (985) 246-8356	\$ 1,300
Adam Hurst 136 Hidden Lake Loop Abita Springs, LA 70420 (985) 276-2451	\$ 1,200
Albert Hollie 75309 Hollie Road Pearl River, LA 70452 (985) 863-9319	\$ 1,400
Kirby C. Craddock 38260 Lacoste Rd Pearl River, LA 70452 (985) 445-7903	\$ 1,400
Buffie Singletary 35202 Herman Singletary Pearl River, LA 70452 (985) 290-4978	\$ 900

See independent auditor's report.

ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 7
Schedule of Compensation, Benefits and Other Payments
to Agency Head
For the Year Ended December 31, 2025

Agency Head
Chief Gary Whitehead

Purpose	Amount
Salary	\$96,630
2025 Compensatory Pay Back Pay	\$5,620
2025 Vacation Buy Back	\$2,032
State Supplemental Pay	7200 ***
Benefits - Insurance	\$14,936 *
Benefits - Retirement	\$43,686 **
Benefits - Other	\$0
Car Allowance	\$0
Vehicle Provided by Government	\$0
Per Diem	\$0
Cell Phone	\$1,200
Travel	\$0
Registration Fees	\$0
Conference Travel	\$0
Continuing Professional Education Fees	\$0
Housing	\$0
Unvouchered Expenses	\$0
Special Meals	\$0

* This is the employer portion of the insurance expense.

** This is the employer portion of the retirement contribution.

*** State supplemental pay is funded by the State of Louisiana

See independent auditor's report.



**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**

Independent Auditor's Report

To the Board of Commissioners
St. Tammany Parish Fire Protection District No. 7
Pearl River, Louisiana

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of St. Tammany Parish Fire Protection District No. 7 (the District), as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated May 27, 2026.

Report on Internal Control Over Financial Reporting

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

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

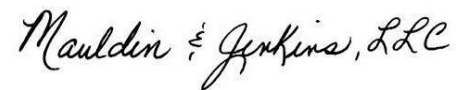
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.



Baton Rouge, LA
May 27, 2026

ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 7
Schedule of Findings and Responses
For the Year Ended December 31, 2025

Part I - Summary of Auditor's Results

Financial Statements

- | | |
|--|------------|
| 1. Type of auditor's report issued: | Unmodified |
| 2. Internal control over financial reporting and compliance and other matters: | |
| a. Material weaknesses identified? | No |
| b. Significant deficiencies identified? | No |
| c. Noncompliance material to the financial statements identified? | No |
| d. Other matters identified? | No |
| 3. Management letter comment provided? | No |

Federal Awards

Not applicable.

Part II - Findings Related to the Financial Statements

None.

ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 7
Summary Schedule of Prior Year Findings
For the Year Ended December 31, 2025

None.



AGREED-UPON PROCEDURES REPORT

St. Tammany Parish Fire Protection District No. 7

Independent Accountant's Report
On Applying Agreed-Upon Procedures

For the Period January 1, 2025 - December 31, 2025

To the Board of Commissioners of
St. Tammany Parish Fire Protection District No. 7
and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2025 through December 31, 2025. St. Tammany 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, 2025 through December 31, 2025. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

1) Written Policies and Procedures

- A. Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories if applicable to public funds and the entity's operations:
 - i. **Budgeting**, including preparing, adopting, monitoring, and amending the budget.
 - 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.

- iii. **Disbursements**, including processing, reviewing, and approving.
- 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).
- 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.
- 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.
- vii. **Travel and Expense Reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- viii. **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
- 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) 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.
- xi. **Information Technology (IT) 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.
- 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: We obtained the entity's written policies and procedures for the above categories and noted they addressed all required subcategories with the following exceptions:

- Written policies and procedures for #1A(vii), travel and expense reimbursements, did not address subcategory (2);
- Written policies and procedures for #1A(ix), ethics, did not address subcategories (2) through (4);

- Written policies and procedures for #1A(xii), prevention of sexual harassment, did not address subcategories (2) through (3); and
- The District did not have written policies and procedures for #1A(xi), information technology disaster recovery/business continuity.

2) Board (or Finance Committee, if applicable)

- 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.
 - 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, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds. *Alternately, for those entities reporting on the non-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*
 - 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.
 - 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: We observed no exceptions in the performance of these procedures.

3) Bank Reconciliations

- A. Obtain a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:
- i. Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);

- ii. Bank reconciliations include written evidence that a member of management or a board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation within 1 month of the date the reconciliation was prepared (e.g., initialed and dated, electronically logged); and
- iii. Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Results: We observed no exceptions in the performance of these.

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: We observed no exceptions in the performance of these 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 (i.e., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:
- i. Employees that are responsible for cash collections do not share cash drawers/registers;
 - ii. Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit;
 - iii. Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit; and
 - iv. The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, is (are) not also responsible for collecting cash, unless another employee/official verifies the reconciliation.

Results: We observed no exceptions in the performance of these 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 enforced during the fiscal period.

Results: We observed no exceptions in the performance of these 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). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:
- Observe that receipts are sequentially pre-numbered.
 - Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - Trace the deposit slip total to the actual deposit per the bank statement.
 - 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).
 - Trace the actual deposit per the bank statement to the general ledger.

Results: We observed no exceptions in the performance of these 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, inquire of employees about their job duties), and observe that job duties are properly segregated such that
- At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order or making the purchase;
 - At least two employees are involved in processing and approving payments to vendors;
 - 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;
 - 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
 - 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.

- 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 that supporting documentation indicates that deliverables included on the invoice were received by the entity, and
 - 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.
- 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.

Results: We observed no exceptions in the performance of these procedures.

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.
- 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) was reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder (those instances requiring such approval may constrain the legal authority of certain public officials, such as the mayor of a Lawrason Act municipality, should not be reported); and
 - ii. Observe that finance charges and late fees were not assessed on the selected statements.

- C. Using the monthly statements or combined statements selected under procedure #6B above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e., each card should have 10 transactions subject to 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.
- D. Using the list of terminated employees obtained in Payroll and Personnel procedure #9C, identify those individuals who had access to cards and randomly select 5 terminated employees (or all terminated employees with card access if less than 5) from this population. Observe evidence that the cards have been deactivated for these terminated employees. In cases where a card is shared by multiple users, obtain evidence that the terminated employees’ authorization has been removed.

Results: We observed that a finance charge was assessed on the one credit card tested. We noted no other exceptions in the performance of these procedures.

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

- A. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management’s representation that the listing or general ledger is complete. Randomly select 5 reimbursements and obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:
- i. If reimbursed using a per diem, observe that the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov);
 - ii. If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased;
 - iii. Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by Written Policies and Procedures procedure #1A(vii); and
 - iv. Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Results: We observed no exceptions in the performance of these procedures.

8) **Contracts**

- A. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:
- Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law;
 - Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter);
 - If the contract was amended (e.g., change order), observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, the documented approval); and
 - Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

Results: We observed no exceptions in the performance of these procedures.

9) **Payroll and Personnel**

- A. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
- B. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under procedure #9A above, obtain attendance records and leave documentation for the pay period, and
- Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory);
 - Observe whether supervisors approved the attendance and leave of the selected employees or officials;
 - Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records; and
 - Observe whether the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.

- C. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees/officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee's or officials' cumulative leave records, agree the pay rates to the employee's or officials' authorized pay rates in the employee's or officials' personnel files, and agree the termination payment to entity policy.
- D. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

Results: We observed no exceptions in the performance of these procedures.

10) Ethics

- A. Using the 5 randomly selected employees/official from Payroll and Personnel procedure #9A obtain ethics documentation from management, and
 - i. Observe whether the documentation demonstrates that each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and
 - ii. Observe whether the entity maintains documentation which demonstrates that each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.
- B. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

Results: We observed no exceptions in the performance of these procedures.

11) Debt Service

- A. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each debt instrument issued as required by Article VII, Section 8 of the Louisiana Constitution.
- B. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

Results: We noted this procedure was not applicable as the District does not have debt.

12) ***Fraud Notice***

- A. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the Legislative Auditor and the district attorney of the parish in which the entity is domiciled as required by R.S. 24:523.
- B. Observe that the entity has posted, on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

Results: We observed no exceptions in the performance of these procedures.

13) ***Information Technology Disaster Recovery/Business Continuity***

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

- A. Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government's local server or network, and (c) was encrypted.
- B. Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, then inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.
- C. Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.
- D. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in Payroll and Personnel procedure #9C. Observe evidence that the selected terminated employees have been removed or disabled from the network.
- E. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain cybersecurity training documentation from management, and observe that the documentation demonstrates that the following employees/officials with access to the agency's information technology assets have completed cybersecurity training as required by R.S. 42:1267 . The requirements are as follows:
 - i. Hired before June 9, 2020 - completed the training; and
 - ii. Hired on or after June 9, 2020 - completed the training within 30 days of initial service or employment.

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

14) **Prevention of Sexual Harassment**

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/ official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.
- B. Observe that the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).
- C. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1st, and observe that the report includes the applicable requirements of R.S. 42:344:
 - i. Number and percentage of public servants in the agency who have completed the training requirements;
 - ii. Number of sexual harassment complaints received by the agency;
 - iii. Number of complaints which resulted in a finding that sexual harassment occurred;
 - iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
 - v. Amount of time it took to resolve each complaint.

Results: We observed no exceptions in the performance of these procedures.

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.

Mauldin & Jenkins, LLC

Baton Rouge, LA
May 27, 2026