TOURO BOULIGNY SECURITY DISTRICT

NEW ORLEANS, LOUISIANA

FINANCIAL STATEMENTS

DECEMBER 31, 2025

RICHARD CPAS

TOURO BOULIGNY SECURITY DISTRICT

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TOURO BOULIGNY SECURITY DISTRICT

TABLE OF CONTENTS

Other Report

INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
Touro Bouligny Security District
New Orleans, Louisiana

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Touro Bouligny Security District (the Security District), as of and for the year ended December 31, 2025, and the related notes to financial statements, which collectively comprise the Security District's basic financial statements as listed in the table of contents.

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

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. We are required to be independent of the Security District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, 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 Security 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.

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Auditor's Responsibilities for the Audit of Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Security 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 Security 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 and budgetary comparison information on pages 4-7 and page 21 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 24, 2026, on our consideration of the Security 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 Security 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 Security District's internal control over financial reporting and compliance.

Richard CPAS

Metairie, Louisiana
June 24, 2026

REQUIRED SUPPLEMENTARY INFORMATION (PART 1)

TOURO BOULIGNY SECURITY DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2025

Our discussion and analysis of the Touro Bouligny Security District's (the Security District) financial performance provides an overview of the Security District's financial activity for the year ended December 31, 2025. It should be read in conjunction with the basic financial statements.

Financial Highlights

- The Security District's operations increased total net position by $98,978, and resulted in ending net position of $493,926.
- Total spending (expenses) for governmental activity was $442,258 for the year, which was $98,978 less than the taxes and interest received for this activity, which totaled $541,236.
- The interest earned on bank accounts and funds held in custody (at the Board of Liquidation, City Debt) was $18,782 for the year.

Overview of the Financial Statements

The financial statement focuses on the Security District's only major fund – General Fund. The major governmental funds allow the user to address relevant questions, broaden a basis for comparison and enhance the Security District's accountability. Management's Discussion and Analysis (MD&A) serves as an introduction to the basic financial statements. The Security District's basic financial statements are comprised of the major fund financial statements and notes to the financial statements. This report also contains supplementary information in addition to the basic financial statements.

Government-Wide Financial Statement

The government-wide financial statements report information about the Security District as a whole using accounting methods similar to those used by private-sector companies. These report all revenues and expenses regardless of when cash is received or paid. Furthermore, the government-wide statements include all of the Security District's assets and all of its liabilities. All of the Security District's activities are classified as governmental activities in the government-wide financial statements. The governmental activities are financed primarily by an occupancy sales tax on hotel/motel and state grants.

Fund Financial Statements

Fund financial statements provide detailed information regarding the Security District's most significant activities and are not intended to provide information for the Security District as a whole. Funds are accounting devices that are used to account for specific sources of funds. All of the Security District's funds are limited to its general fund, which is classified as a Governmental Fund. This fund is used to account for essentially the same functions that are reported as governmental activities in the government-wide financial statements. However, unlike government-wide financial statements, the governmental fund uses a modified accrual basis of accounting that provides a short-term view of the Security District's finances. Assets reported by the governmental fund are limited to amounts that are available for current needs. In addition, liabilities are limited to amounts that are expected to be paid from currently available assets.

Notes to the Financial Statements

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

Financial Analysis - 2025 of the Security District as a Whole

TOURO BOULIGNY SECURITY DISTRICT
CONDENSED STATEMENTS OF NET POSITION
DECEMBER 31, 2025 AND 2024

	2025	2024	$ Change	% Change
CURRENT ASSETS				
Cash and cash equivalents	$ 52,026	$ 69,531	$ (17,505)	-25.18%
Cash and cash equivalents held by the Board of Liquidation, unrestricted	466,768	359,572	107,196	335.43%
Ad valorem tax receivable	10,026	-	10,026	0.00%
Total assets	$ 528,820	$ 429,103	$ 99,717	23.24%
LIABILITIES				
Accounts payable	$ 34,894	$ 32,505	$ 2,389	7.35%
Accrued expenses	-	1,650	(1,650)	-100.00%
Total liabilities	34,894	34,155	739	2.16%
NET POSITION				
Unrestricted net position	493,926	394,948	98,978	399.03%
Total net position	493,926	394,948	98,978	25.06%
TOTAL LIABILITIES AND NET POSITION	$ 528,820	$ 429,103	$ 99,717	23.24%

The Security District reported cash balances of $52,026 and $69,531 as of December 31, 2025 and 2024, respectively. Cash balances are maintained to fund the services of the Security District. The Security District has cash and cash equivalents held by the Board of Liquidation of $466,768 and $359,572, respectively. The ad valorem tax receivable of $10,026 is related to 2025 taxes received in 2026.

Financial Analysis - 2025 of the Security District as a Whole (continued)

TOURO BOULIGNY SECURITY DISTRICT
CONDENSED STATEMENT OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025	2024	$ Change	% Change
Ad valorem tax revenue	$ 522,454	$ 492,288	$ 30,166	6.13%
Interest income	18,782	21,824	(3,042)	-13.94%
Total revenues	541,236	514,112	27,124	5.28%
Patrol and security services	386,833	428,189	(41,356)	-9.66%
Administrative and operating expenses	55,425	48,765	6,660	13.66%
Total expense	442,258	476,954	(34,696)	-7.27%
Change in net position	98,978	37,158	68,480	184.29%
Net position, beginning of the year	394,948	357,790	37,158	10.39%
Net position, end of the year	$ 493,926	$ 394,948	$ 98,978	25.06%

For the year ended December 31, 2025, total revenues increased by $27,124 due to an increase in ad valorem taxes collected offset by a decrease in interest income.

For the year ended December 31, 2025, total expenses decreased by $34,696 due to a decrease in patrol and security expenses offset by expenses related to signage and crosswalks.

Financial Analysis of the Touro Bouligny Security District's General Fund

For the year ended December 31, 2025, there were no differences between the government-wide presentation and the fund financial statements.

General Fund Budgetary Highlights

During the year ended December 31, 2025, the Security District adopted an original budget and an amended budget. During the year ended December 31, 2025, total revenues was more than budgeted revenues by $57,221, and total expenditures were less than budgeted expenditures by $109,592.

Material differences between actual results and budgeted amounts are as follows:

- Ad valorem tax revenue was more than budgeted revenue by $38,439.
- Patrol and security services were less than budgeted expenditures by $93,167.
- Community outreach and contingency expenses were less than budgeted expenditures by $20,000.

Debt Administration

As of December 31, 2025, the Security District had no debt.

Capital Assets

As of December 31, 2025, the Security District had no capital assets.

Economic Factors and Next Year's Budget

For 2026, the Security District has kept the millage rate at 7.10 mills compared to 2025 on each parcel of real property. The existing ad valorem tax that supports the operations of the Security District expires in the year ending December 31, 2026. The ad valorem tax was not renewed for the year ended December 31, 2027, and future years as the Security District did not perform the appropriate procedures in order for the renewal to appear on a ballot. The Security District has engaged consultants and is working with state representatives so that the renewal of the ad valorem tax is approved by the State Bond Commission and is added to a ballot for a vote by the residents. The Security District may reduce some services in 2026 and is expecting a reduced level of patrol services throughout 2027. The Security District is budgeting to fund 2027 operations through existing fund balance amounts.

Request for Information

This financial report is designed to provide a general overview of the Security District's finances and to show the Security District's accountability for the money it receives. Any questions about this report or requests for additional information may be directed to the Security District's Executive Director, Ms. Shelley Landrieu, located at 5329 Dryades Street, Unit A, New Orleans, Louisiana 70115.

BASIC FINANCIAL STATEMENTS
GOVERNMENT-WIDE FINANCIAL STATEMENTS

TOURO BOULIGNY SECURITY DISTRICT
STATEMENT OF NET POSITION
AS OF DECEMBER 31, 2025

		Governmental Activities
ASSETS		
Cash and cash equivalents	$	52,026
Cash and cash equivalents held by the Board of Liquidation, unrestricted		466,768
Ad valorem tax receivable		10,026
Total current assets		528,820
TOTAL ASSETS	$	528,820
LIABILITIES		
Accounts payable	$	34,894
Accrued expenses		-
Total liabilities		34,894
NET POSITION		
Unrestricted net position		493,926
Total net position	$	493,926

The accompanying notes are an integral part of this financial statement.

TOURO BOULIGNY SECURITY DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2025

		Program Revenues		
	Expenses	Charge for Services	Operating Grants	Net Revenue (Expense) and Changes in Net Position
FUNCTIONS/PROGRAMS				
Governmental activities:				
Patrol and security services	$ 386,833	$ -	$ -	$ (386,833)
Administrative and operating expenses	55,425	-	-	(55,425)
Total governmental activities	$ 442,258	$ -	$ -	(442,258)
	GENERAL REVENUES			
	Ad valorem tax revenue			522,454
	Interest income			18,782
	Total general revenues			541,236
	Change in net position			98,978
	Net position, beginning of the year			394,948
	Net position, end of the year			$ 493,926

The accompanying notes are an integral part of this financial statement.

BASIC FINANCIAL STATEMENTS
FUND FINANCIAL STATEMENTS -GOVERNMENTAL FUNDS

TOURO BOULIGNY SECURITY DISTRICT
GOVERNMENTAL FUNDS - BALANCE SHEET
AS OF DECEMBER 31, 2025

		General Fund
ASSETS		
Cash and cash equivalents	$	52,026
Cash and cash equivalents held by the Board of Liquidation, unrestricted		466,768
Ad valorem tax receivable		10,026
Total assets	$	528,820
LIABILITIES		
Accounts payable	$	34,894
Accrued expenses		-
Total liabilities		34,894
FUND BALANCES		
Unassigned		493,926
Total fund balances		493,926
Total liabilities and fund balances	$	528,820

The accompanying notes are integral part of this financial statement.

TOURO BOULIGNY SECURITY DISTRICT
RECONCILIATION OF THE GOVERNMENTAL BALANCE SHEET
TO THE STATEMENT OF NET POSITION
AS OF DECEMBER 31, 2025

Total governmental fund balance	$	493,926
Amounts reported for governmental activities in the statement of net position are different because:		
No reconciling differences noted		-
Net position of governmental activities	$	493,926

The accompanying notes are integral part of this financial statement.

TOURO BOULIGNY SECURITY DISTRICT
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2025

	General Fund
REVENUES	
Ad valorem tax revenue	$ 522,454
Interest income	18,782
Total revenues	541,236
EXPENDITURES	
Patrol and security services	386,833
Administration fees	21,518
Collection fees	24,015
Accounting fees	4,300
Insurance	1,713
Signage and crosswalks	3,879
Total expenditures	442,258
NET CHANGE IN FUND BALANCE	98,978
FUND BALANCE, BEGINNING OF THE YEAR	394,948
FUND BALANCE, END OF THE YEAR	$ 493,926

The accompanying notes are integral part of this financial statement.

TOURO BOULIGNY SECURITY DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2025

Net change in fund balance - total governmental funds	$	98,978
Amounts reported for governmental activities in the statement of activities are different because:		
No reconciling differences noted		-
Change in net position of governmental activities	$	98,978

The accompanying notes are integral part of this financial statement.

1. Summary of Significant Accounting Polices

The accounting policies of the Touro Bouligny Security District (the Security District) conform to generally accepted accounting principles (GAAP) as applicable to governments. The Governmental Accounting Standards Board (GASB) is the standard setting body for establishing governmental accounting and financial reporting principles.

Financial Reporting Entity

The Security District is a special taxing district created by Act 77 of Regular Session of 2005 of the Louisiana Legislature (Louisiana Revised Statute 33:9091.10), for the purpose of promoting and encouraging security in the area included within the Security District. The boundaries of the Security District are areas within the following perimeter: Louisiana Avenue to St. Charles Avenue (river side only) to Napoleon Avenue (both sides) to Magazine Street (both sides) and back to the Louisiana Avenue (excluding all municipal numbers on Louisiana Avenue).

The Security District is governed by a Board consisting of nine members (commissioners) who are residents of the Security District. The commissioners are appointed as follows: The president of the Touro Bouligny Association, four members appointed by the Touro Bouligny Association, one member appointed by the Mayor of the City of New Orleans, one member appointed by the Louisiana House of Representatives whose District encompasses all or a great portion of the Security District, one member appointed by the Louisiana Senate whose District encompasses all or a greater portion of the Security District, and one member appointed by the member of the City of New Orleans whose Council District encompasses all or a greater portion of the Security District. All members of the board must be residents of the Security District.

As approved by a majority of the voters of the Security District in September 2006, and renewed by a vote in December 2018, the operations of the Security District have bene funded beginning in 2007 by the imposition of a special ad valorem tax on all taxable real property within the Security District.

Section 2100 of the Governmental Accounting Standards Board *Codification of Governmental Accounting and Financial Reporting Standards* establishes criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under the provisions, the Security District is considered a primary government, since it is a special purpose government that has a separately appointed governing body, is legally separate, and is fiscally independent of other state or local governments. Fiscally independent means that the Security District may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges (within legally prescribed limits), and issue bonded debt.

The Security District does not have any component units, and the Security District is not a component unit of any other entity.

1. Summary of Significant Accounting Polices (continued)

Fund Accounting

The financial transactions of the Security District are recorded in an individual fund (the General Fund). The operation of the General Fund is accounted for with a separate set of self-balancing accounts that comprise its assets, outflows of resources, liabilities, inflows of resources, fund balances, revenues and expenditures. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts.

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

The Security District records all activities in one fund, the General Fund.

Basis of Presentation

The Security District's basic financial statements consist of government-wide statements and the fund financial statements (General fund). The financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units and promulgated by the GASB *Codification of Accounting and Financial Reporting Standards*.

Measurement Focus and Basis of Accounting

Measurement focus refers to what items should be reported as elements of financial statements and basis of accounting refers to when those elements are recognized in the financial statements.

Government-Wide Financial Statements

The Statement of Net Position and the Statement of Activities display information about the reporting government as a whole. These statements include all the financial activities of the Security District.

The government-wide financial statements were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from exchange or exchange-like transactions are recognized when the exchange occurs, regardless of when cash is received or disbursed. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from non-exchange transactions are recognized in accordance with the requirements of GASB Codification Section N50, Non-exchange Transactions.

1. Summary of Significant Accounting Polices (continued)

Measurement Focus and Basis of Accounting (continued)

Government-Wide Financial Statements (continued)

Program revenues included in the Statement of Activities are derived directly from the program itself or from sources outside the Security District's tax based directly related to the program (operating grants and contributions). Program revenues reduce the cost of the function to be financed from general revenues.

Fund Financial Statements (General Fund)

The accounting and financial reporting treatments applied to a fund are determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With the current financial resources measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e. revenues and other financial sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

Governmental funds are accounted for on the modified accrual basis of accounting. Under this basis of accounting, revenues are recognized in the accounting period in which they become susceptible to accrual, that is, when they become measurable and available to pay current liabilities. Such revenue items are ad valorem taxes, sales taxes, and state and federal entitlements. Ad valorem taxes are considered measurable in the calendar year of the tax levy if collected soon enough to meet the availability criteria.

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

Budget and Budgetary Accounting

The general fund of the Security District has a legally adopted budget on an annual basis. The adopted budget is prepared on the modified accrual basis of accounting, a basis consistent with the accounting principles generally accepted in the United States. The proposed budget is submitted to the Board of Commissioners prior to the beginning of each fiscal year. The budget is made available for public inspection and is then legally adopted by the Board of Commissioners. The budget is amended during the year as necessary. All budgetary appropriations lapse at the end of the year and must be re-appropriated for the following year to be expended.

1. Summary of Significant Accounting Polices (continued)

Cash and Cash Equivalents

Cash and cash equivalents include amounts in interest bearing demand deposits. The Security District may invest in United States bonds, notes, bills, or certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana.

Restricted Net Position

For the government-wide Statement of Net Position, net position is classified and displayed in three components focused on the accessibility of the underlying assets:

- Net investment in capital assets, calculated as capital assets net of accumulated depreciation plus capital-related deferred outflows of resources, less capital-related borrowings and deferred inflows of resources;
- Restricted, either externally imposed by creditors such as debt covenants, grantors, contributors, laws, or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation; or
- Unrestricted. When both restricted and unrestricted resources are available for use, it is the Security District's policy to use restricted resources first, then unrestricted resources as they are needed.

Fund Equity of Fund Financial Statements

Accounting standards require governmental fund balances to be reported in as many as five classifications as listed below:

- Nonspendable represents amounts that are not expected to be converted to cash because they are either not in spendable form or legally or contractually required to be maintained intact.
- Restricted represents balances where constraints have been established by parties outside the Security District or imposed by law through constitutional provisions or enabling legislation.
- Committed represents balances that can only be used for specific purposes pursuant to constraints imposed by the adoption of a resolution by the Security District, which is the Security District's highest level of decision-making authority.
- Assigned represents balances that are constrained by the Security District's intent to be used for specific purposes but are not restricted or committed.
- Unassigned represents balances that have not been assigned and that have not been restricted, committed, or assigned to specific purposes within the general fund.

1. Summary of Significant Accounting Polices (continued)

Use of Estimates

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

Recent Accounting Pronouncements - Adopted

The Security District adopted GASB Statement No. 102, Certain Risk Disclosures, which requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units vulnerable to the risk of a substantial financial impact. If certain criteria are met, the concentration or constraint needs to be disclosed in the notes to the financial statements. The adoption of this standard did not have a material impact on the Security District's financial statements.

Recent Reporting and Disclosure Developments

As of December 31, 2025, the GASB has issued several statements that are to be implemented by the Security District in future years. The statements which may have an impact on the School Board are as follows:

GASB Statement 103 Financial Reporting Model Improvements
Statement 103 sets forth improvements to the financial reporting model to enhance effectiveness in providing information that is essential for decision making and assessing a government's accountability. Management is currently evaluating the effects of the new GASB pronouncement scheduled for implementation for the fiscal year ending December 31, 2026.

GASB Statement 105, Subsequent Events
Statement 105, issued in December 2025, establishes guidance for reporting subsequent events those occurring after the balance sheet date but before financial statements are issued or available to be issued. The standard distinguishes between recognized subsequent events, which relate to conditions existing at the balance sheet date and require adjustments to the financial statements, and nonrecognized subsequent events, which arise afterward and require disclosure but not adjustment. Governments must disclose the nature of such events and, when possible, provide an estimate of their financial impact. Management is currently evaluating the effects of this new GASB pronouncement scheduled for implementation for the fiscal year ending December 31, 2027.

2. Concentration of Credit Risk

As of December 31, 2025, the Security District had cash (book balances) in the amounts of $52,026, which are in demand deposit or interest-bearing demand deposit accounts. At December 31, 2025, the Board of Liquidation, as fiscal agent of the District, held on the Security District's behalf unrestricted cash and cash equivalents in the amount of $466,768.

Custodial credit risk is the risk that in the event of a financial institution failure, the Security District's deposits may not be returned to them. To mitigate this risk, state law requires deposits to be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent financial institution. Securities that may be pledged as collateral consist of obligations of the United States government and its agencies, obligations of the state of Louisiana and its municipalities, and school districts. As of December 31, 2025, none of the Security District's bank balances were exposed to custodial credit risk.

Cash and cash equivalents held by the Board of Liquidation, City Debt in the amount of $466,768 were fully covered by pledged securities held by financial institutions in the name of the Board of Liquidation, acting as fiscal agent for the Security District.

3. Ad Valorem Taxes

All taxable property in Louisiana is required by law to be assessed annually at a percentage of its fair market value by the parish Assessor. Values are established by the elected Assessor each year based on 10% of the assessed market value of residential property and commercial land and on 15% of the assessed market value of commercial buildings, public utilities, and personal property. The correctness of assessments by the Assessor is subject to review and certification of the Louisiana Tax Commission. The Assessor is required to reappraise all property subject to taxation at intervals of not more than four years; all property subject to taxation was reappraised in 2020.

The Security District is permitted to levy ad valorem taxes not to exceed 16.2 mills. The following is a summary of levied ad valorem taxes for the fiscal year ended December 31, 2025.

Dedicated millage for security	7.10
Expires December 31	2026

The City of New Orleans, as provided by state law, is the official tax collector of general property taxes levied by the Security District. Taxes are due and payable by January 31 of the assessment year, and the lien date is February 1. State law requires the City of New Orleans to collect property (ad valorem) taxes in the calendar year in which the assessment is made. Property taxes become delinquent on February 1. If taxes are not paid by the due date, taxes bear interest at the rate of one percent per month until taxes are paid. A list of property on which taxes have not been paid is published in the official journal of the City of New Orleans. If taxes are not paid within the period stipulated in the public notice, the property is sold for taxes due at a tax sale held by the City of New Orleans. The tax sale is usually held prior to the end of the Security District's fiscal year.

3. Ad Valorem Taxes (continued)

All property taxes are recorded in the governmental funds (General Fund). Property tax revenues are recognized in the accounting period in which they become measurable and available. Property taxes are considered measurable in the calendar year of the tax levy. Estimated uncollectible taxes are those taxes based on past experience where property taxes will not be collected in the subsequent year and is primarily due to subsequent adjustments to the tax roll. Since ad valorem taxes receivable are secured by property, there is no allowance for uncollectible taxes. Available means due or past due and receivable within the current period and collected within the current period. The remaining property tax receivables are considered available if they are collected within sixty days subsequent to year end.

Tax receipts are received by the Board of Liquidation, City Debt on a daily basis as collected. The Board of Liquidation, City Debt serves in a custodial capacity for the Security District. The funds collected are deposited in a Security District account until the funds are warranted by the Security District.

The Security District records property taxes gross of Orleans Parish Assessor and City of New Orleans collection fees, which totaled $24,015 for the year ended December 31, 2025.

4. Commitments

The Security District has an agreement with a company to provide patrol and security services for the protection of property and people located within the boundaries of the Security District. The agreement was approved by the Board in November 2019 and is currently renewed automatically on an annual basis. During the year ended December 31, 2025, included in expenses is $386,833 related to this agreement.

The Security District has an agreement with an independent contractor to provide administrative and support services to the Security District. The agreement has an autorenewal on a monthly basis. Any increases in the fees related to this agreement would be approved by the Board. During the year ended December 31, 2025, included in expenses is $21,518 related to this agreement and are included in administration fees on the statement of revenues, expenditures, and changes in fund balance.

5. Subsequent Events

The Security District has evaluated subsequent events through the date that the financial statements were available to be issued June 24, 2026, and determined the following items require disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

The existing ad valorem tax that supports the operations of the Security District expires in the year ending December 31, 2026. The ad valorem tax was not renewed for the year ended December 31, 2027, and future years as the Security District did not perform the appropriate procedures in order for the renewal to appear on a ballot. The Security District has engaged consultants and is working with state representatives so that the renewal of the ad valorem tax is approved by the State Bond Commission and is added to a ballot for a vote by the residents. The Security District may reduce some services in 2026 and is expecting a reduced level of patrol services throughout 2027. The Security District is budgeting to fund 2027 operations through existing fund balance amounts.

REQUIRED SUPPLEMENTARY INFORMATION (PART 2)

TOURO BOULIGNY SECURITY DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2025

	Original Budget	Final Budget	Actual	Variance - Favorable (Unfavorable)
REVENUES				
Ad valorem tax revenue	$ 484,015	$ 484,015	$ 522,454	$ 38,439
Interest income	-	-	18,782	18,782
Total revenues	484,015	484,015	541,236	57,221
EXPENDITURES				
Patrol and security services	480,000	480,000	386,833	93,167
Administration fees	19,335	19,335	21,518	(2,183)
Collection fees	24,015	24,015	24,015	-
Accounting fees	6,000	6,000	4,300	1,700
Insurance	2,500	2,500	1,713	787
Signage and crosswalks	-	-	3,879	(3,879)
Community outreach and contingency	20,000	20,000	-	20,000
Total expenditures	551,850	551,850	442,258	109,592
NET CHANGE IN FUND BALANCE	(67,835)	(67,835)	98,978	(166,813)
FUND BALANCE, BEGINNING OF THE YEAR	394,948	394,948	394,948	-
FUND BALANCE, END OF THE YEAR	$ 327,113	$ 327,113	$ 493,926	$ (166,813)

See accompanying independent auditor's report.

SUPPLEMENTARY INFORMATION

TOURO BOULIGNY SECURITY DISTRICT
SCHEDULE OF COMPENSATION, BENEFITS, AND
OTHER PAYMENTS TO AGENCY HEAD
FOR THE YEAR ENDED DECEMBER 31, 2025

Agency Head Name: Samantha Guichet, Chairman

Purpose	Amount
Salary	$ -
Benefits - insurance	-
Meals and Parking	-
Registration fees	-
Conference travel	-
	$ -

Louisiana Revised Statute 24:513(A)(3) as amended by Act 706 of the 2014 Regular Legislative Session requires that the total compensation, reimbursements, and benefits of an agency head or political subdivision head or chief executive officer related to the position, including but not limited to travel, housing, unvouchered expense, per diem, and registration fees to be reported as a supplemental report within the financial statement of local government and quasi-public auditees. In 2015, Act 462 of the 2015 Regular Session of the Louisiana Legislature further amended R.S. 24:513(A)(3) to clarify that nongovernmental entities or not-for-profit entities that received public funds shall report only the use of public funds for the expenditures itemized in the supplemental report.

See accompanying independent auditor's report.

OTHER REPORT

RICHARD CPAS

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

To the Board of Commissioners
Touro Bouligny Security District
New Orleans, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Touro Bouligny Security District (the Security District) as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the Security District's basic financial statements, and have issued our report thereon dated June 24, 2026.

Internal Control Over Financial Reporting

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

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

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

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Security District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Richard CPAS

Metairie, Louisiana
June 24, 2026

TOURO BOULIGNY SECURITY DISTRICT

SUMMARY OF SCHEDULE OF FINDINGS AND RESPONSES

FOR THE YEAR ENDED DECEMBER 31, 2025

1. Summary of Independent Auditor's Results

Financial Statements

(a) The type of report issued on the basic financial statements:	**Unmodified**
(b) Internal control over financial reporting	
Material weakness(es) identified:	**None reported**
Significant deficiency (ies) identified:	**None reported**
(c) Noncompliance which is material to the basic financial statements:	**None reported**

2. Findings relating to the basic financial statements reported in accordance with Government Auditing Standards

None reported

3. Prior Year Findings related to the basic financial statements

None reported

TOURO BOULIGNY SECURITY DISTRICT
NEW ORLEANS, LOUISIANA

LOUISIANA LEGISLATIVE AUDITOR – STATEWIDE AGREED-UPON PROCEDURES REPORT

DECEMBER 31, 2025

RICHARD CPAS

TOURO BOULIGNY SECURITY DISTRICT
NEW ORLEANS, LOUISIANA

LOUISIANA LEGISLATIVE AUDITOR – STATEWIDE AGREED-UPON PROCEDURES REPORT

DECEMBER 31, 2025

TOURO BOULIGNY SECURITY DISTRICT

TABLE OF CONTENTS

INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES
FOR THE YEAR ENDED DECEMBER 31, 2025.

To 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. Touro Bouligny Security District's (the Security District) management is responsible for those C/C areas identified in the SAUPs.

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

The procedures we performed, and the associated findings are summarized in the attached Schedule A, which is an integral part of this report.

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

We are required to be independent of Tour Bouligny Security 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.

Richard CPAS

Metairie, Louisiana
June 24, 2026

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TOURO BOULIGNY SECURITY DISTRICT

AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS

FOR THE YEAR ENDED DECEMBER 31, 2025

PROCEDURES (SCHEDULE A)

The procedures performed and the results thereof are set forth below. The procedure is stated first, followed by the results of the procedure presented in italics. If the item being subjected to the procedures is positively identified or present, then the results will read *"no exceptions were found as a result of this procedure" or for Procedure 13 "We performed the procedure and discussed the results with management".* If not, then a description of the exception ensues.

1) Written Policies and Procedures

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

Exception noted. The Security District has no written policies and procedures for the year ended December 31, 2025.

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

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

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 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.

TOURO BOULIGNY SECURITY DISTRICT

AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS

FOR THE YEAR ENDED DECEMBER 31, 2025

2) *Board or Finance Committee*

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

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

No exceptions were found as a result of this procedure.

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 was referenced or included monthly budget-to-actual comparisons on the general fund,quarterly budget-to-actual comparisons, at a minimum, on all proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds. *Alternately, for those entities reporting on the not-for-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*

No exceptions were found as a result of this procedure.

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.

The above procedure is not applicable, as the general fund did not have a negative unassigned fund balance in the prior year audit.

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.

The above procedure is not applicable; the Security District did not have any prior year audit findings.

3) Bank Reconciliations

A. Obtain a listing of entity 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 or electronically logged);

   No exceptions were found as a result of this procedure.

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

   No exceptions were found as a result of this procedure.

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.

   This procedure is not applicable as the bank reconciliations tested did not have any reconciling items that have been outstanding for more than 12 months.

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).

   The Security District's ad valorem tax revenue is collected by the City of New Orleans (third party contractor) and deposited at the Board of Liquidation for the benefit of the Security District. The collection category is not required to be performed if the entity has a third party contractor performing all collection functions. Therefore, this section of the AUP is not applicable to the Security District.

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

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

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

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

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

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

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:

i. Observe that receipts are sequentially pre-numbered.

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

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

iv. Observe 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).

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

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).

No exceptions were found as a result of this procedure.

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

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

No exceptions were found as a result of this procedure.

ii. At least two employees are involved in processing and approving payments to vendors;

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

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

i. Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation indicates that deliverables included on the invoice were received bythe entity, and

No exceptions were found as a result of this procedure.

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.

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

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 person who maintained possession of the cards. Obtain management's representation that the listing is complete.

The above procedure is not applicable. The Security District does not have any credit cards, bank debit cards, fuel cards, or purchase cards during the fiscal period.

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., itemized receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder (those instances requiring such approval that may constrain the legal authority of certain public officials, such as the mayor of a Lawrason Act municipality, should not be reported); and

The above procedure is not applicable. The Security District does not have any credit cards, bank debit cards, fuel cards, or purchase cards during the fiscal period.

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

The above procedure is not applicable. The Security District does not have any credit cards, bank debit cards, fuel cards, or purchase cards during the fiscal period.

C. Using the monthly statements or combined statements selected under #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 (e.g., each card should have 10 transactions subject to inspection). For each transaction, observe 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.

The above procedure is not applicable. The Security District does not have any credit cards, bank debit cards, fuel cards, or purchase cards during the fiscal period.

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 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.

The above procedure is not applicable. The Security District does not have any credit cards, bank debit cards, fuel cards, or purchase cards during the fiscal period.

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 the approved reimbursement rate is no more than those rates established either by the State of Louisiana (doa.la.gov/doa/ost/ppm-49-travel-guide/) or the U.S. General Services Administration (www.gsa.gov);

The above procedure is not applicable. The Security District did not have any travel and travel-related expense reimbursements for the year ended December 31, 2025.

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

The above procedure is not applicable. The Security District did not have any travel and travel-related expense reimbursements for the year ended December 31, 2025.

iii. Observe 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

The above procedure is not applicable. The Security District did not have any travel and travel-related expense reimbursements for the year ended December 31, 2025.

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

The above procedure is not applicable. The Security District did not have any travel and travel-related expense reimbursements for the year ended December 31, 2025.

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

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

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

iii. If the contract was amended (e.g., change order), observe 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

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

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.

The Security District has an agreement with an independent contractor that provides administrative and support services to the Security District. For the year ending December 31, 2025, the Security District has no employees. Commissioners are not paid for their service. Therefore, this section of the AUP is not applicable to the Security District.

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

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

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

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

iv. Observe 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 or officials and 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 official's cumulative leave records, agree the pay rates to the employee's or official's authorized pay rates in the employee's or official's personnel files, and agree the termination payment to 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) have been paid, and any associated forms have been filed, by required deadlines.

10) Ethics

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

As procedure #9A is not applicable to the Security District, we randomly selected five Commissioners and performed the specified procedures below.

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

Exception noted. The Security District was not able to provide documentation for 1 of 5 Commissioners tested.

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.

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

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.

The above procedure is not applicable. The Security District does not have any debt.

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).

The above procedure is not applicable. The Security District does not have any 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.

No exceptions were found as a result of this procedure.

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.

No exceptions were found as a result of this procedure.

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 there is no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government's local server or network, and (c) was encrypted.

We performed the procedures and discussed the results with management.

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

We performed the procedures and discussed the results with management.

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

We performed the procedures and discussed the results with management.

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

We performed the procedures and discussed the results with management.

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:

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

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.

As procedure #9A is not applicable to the Security District, we used the five randomly selected Commissioners from Ethics procedure #10A to perform the specified procedures.

Exception noted. The Security District was not aware of this requirement.

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).

Exception noted. The Security District was not aware of this requirement.

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

Exception noted. The Security District was not aware of this requirement.

ii. Number of sexual harassment complaints received by the agency;

Exception noted. The Security District was not aware of this requirement.

iii. Number of complaints which resulted in a finding that sexual harassment occurred;

Exception noted. The Security District was not aware of this requirement.

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

Exception noted. The Security District was not aware of this requirement.

v. Amount of time it took to resolve each complaint.

Exception noted. The Security District was not aware of this requirement.

June 24, 2026

RICHARD CPAS
3421 North Causeway Blvd. Suite 601
Metairie, Louisiana 70002

Subject: Management's Response to the Statewide Agreed upon Procedures

The following are the Touro Bouligny Security District's (the Security District) responses to the items identified in the Statewide Agreed-Upon Procedures Report for the year ended December 31, 2025.

1. Written Policies and Procedures: The Security District concurs with the observations and will implement procedures in response to the exceptions noted.

2. Ethics: The Security District concurs with the observations and will implement procedures in response to the exceptions noted.

3. Prevention of Sexual Harassment: The Security District acknowledges that no policy is in place because it does not believe the rules applies to this type of entity with no employees. The Board will consider adopting such policy after further discission at its next meeting.

Please let us know if you need additional information.

Respectfully,

Michelle O. Landrieu

Michelle O. Landrieu
Executive Director