Caddo Parish Communications District Number One

A Component Unit of the Caddo Parish Commission

FINANCIAL STATEMENTS

December 31, 2025

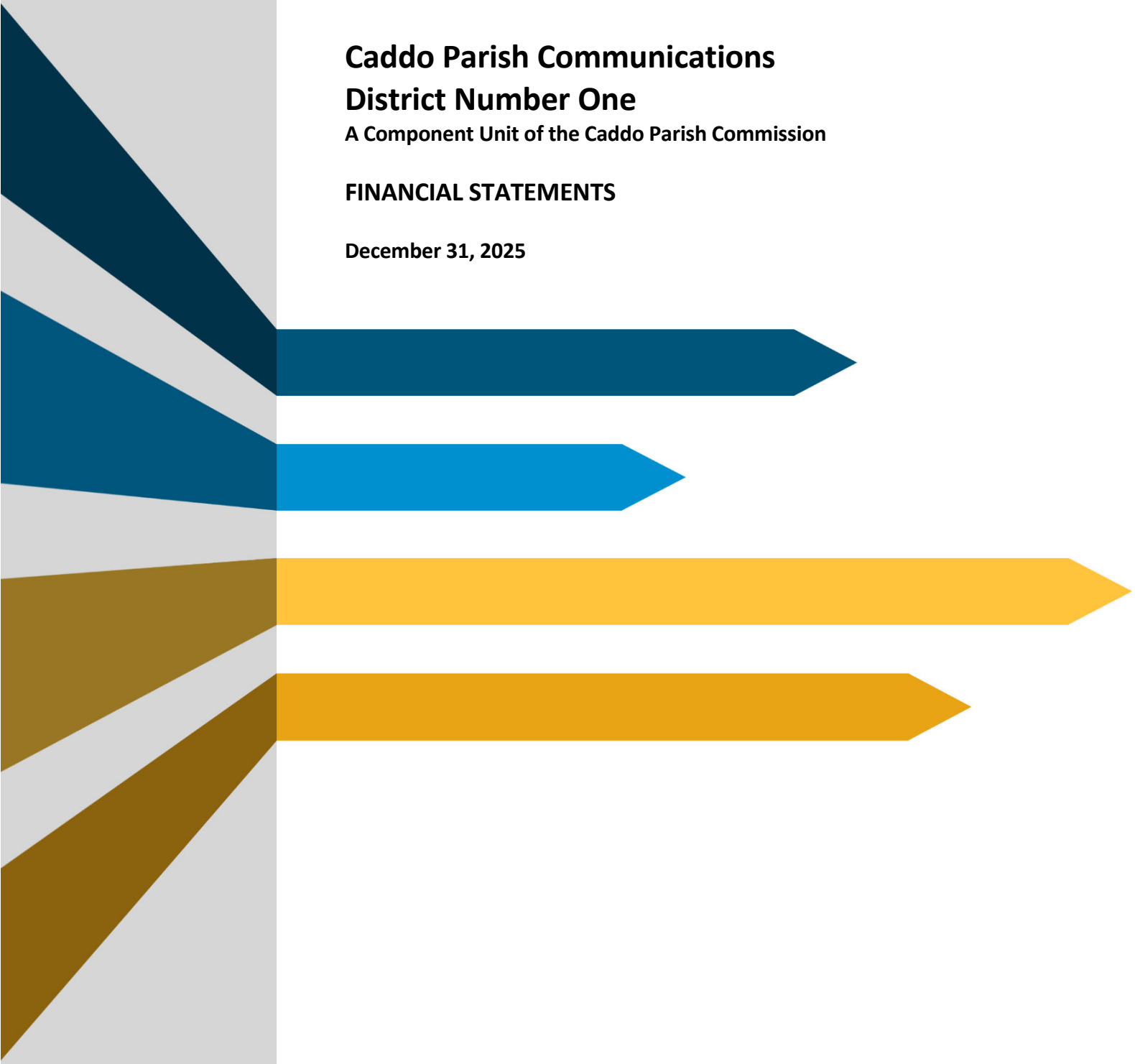


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REPORT

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INDEPENDENT AUDITOR'S REPORT

Members of the Board of Commissioners
Caddo Parish Communications District Number One

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and the general fund of the Caddo Parish Communications District Number One (the "District"), a component unit of the Caddo Parish Commission, 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 financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the general fund of the Caddo Parish Communications District Number One as of December 31, 2025, and the respective changes in financial position thereof 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4 through 9 and the Budgetary Comparison Schedule - General Fund on pages 34 through 35 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 District's basic financial statements. The accompanying Supplementary Information in Accordance with Louisiana Revised Statute 33:9109E and the Schedule of Compensation, Reimbursements, 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 auditing standards generally accepted in the United States of America. In our opinion, the Supplementary Information in Accordance with Louisiana Revised Statute 33:9109E and the Schedule of Compensation, Reimbursements, 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 20, 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.

Carr, Riggs & Ingram, L.L.C.

CARR, RIGGS, & INGRAM, L.L.C.

Shreveport, Louisiana
May 20, 2026

REQUIRED SUPPLEMENTARY INFORMATION

Our discussion and analysis of Caddo Parish Communications District Number One's (the District) financial performance provides an overview of the Caddo Parish Communications District Number One's financial activities for the fiscal year ended December 31, 2025. Please read it in conjunction with the District's financial statements, which follows this section.

FINANCIAL HIGHLIGHTS

The District's net position decreased by $667,619 or 6.7%.

The District's total general revenues were $4,580,026 in 2025 compared to $4,156,178 in 2024.

During the year ended December 31, 2025, the District's total expenses, excluding depreciation and amortization of $1,546,895, of $3,938,660 compared to total expenses, excluding depreciation and amortization of $1,474,073, of $3,825,061, for the year ended December 31, 2024.

As of December 31, 2025, the assets of the District exceeded liabilities and deferred inflows of resources by $9,305,382; $6,729,577 or 72.3% of net position are invested in capital assets while $2,575,805 or 27.7% of net position are unrestricted and may be used at the District's discretion to meet ongoing obligations to the citizens.

The Management's Discussion and Analysis (MD&A) is an element of the reporting model adopted by the Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*.

OVERVIEW OF THE FINANCIAL STATEMENTS

The MD&A is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements comprise three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements. The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

- The Statement of Net Position presents information on all of the District's assets, liabilities, and deferred inflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.
- The Statement of Activities presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Fund Financial Statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The District has only one fund - General Fund, which is a governmental fund.

- *Governmental funds*. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources at the end of the fiscal year. Such information may be useful in evaluating the District's near-term financing requirements.

  Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decisions. Both the governmental funds Balance Sheet and the governmental funds Statement of Revenues, Expenditures, and Change in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

  The District adopts an annual appropriated budget for its General Fund. A budgetary comparison schedule has been provided to demonstrate compliance with the budget.

FINANCIAL ANALYSIS OF GOVERNMENT-WIDE ACTIVITIES

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets exceed liabilities and deferred inflows of resources by $9,305,382 as of December 31, 2025, compared to $9,973,001 at the end of the previous year.

The District's net position totaling $6,729,577 is in its net investment in capital assets. The District uses these capital assets in the execution of its duties; consequently, these assets are not available for future spending. The net investment in capital assets has been reduced by the amount of outstanding debt, the proceeds of which were used in the construction or purchase of the assets, and lease obligations.

Table 1
Net Position

December 31,	Governmental activities 2025	2024
Current and other assets	$ 3,550,342	$ 5,731,421
Capital assets, net	17,167,665	16,258,413
Total assets	20,718,007	21,989,834
Current and other liabilities	527,393	156,322
Long-term liabilities (including current portion)	9,460,000	10,185,000
Lease obligations (including current portion)	1,356,284	1,515,615
Total liabilities	11,343,677	11,856,937
Deferred inflows of resources - leases	68,948	159,896
Net position		
Net investment in capital assets, net of related debt	6,729,577	6,256,526
Unrestricted	2,575,805	3,716,475
Total net position	$ 9,305,382	$ 9,973,001

The balance of unrestricted net position of $2,575,805 at December 31, 2025, is used to meet the District's ongoing obligations to citizens.

Governmental activities decreased the District's net position by $667,619 for the year ended December 31, 2025, which was a 6.7% decrease in net position, compared to a decrease of $895,936 for the year ended December 31, 2024, which was a 8.2% decrease in net position. Key elements of the decreases are as follows:

Table 2
Changes in Net Position

For the year ended December 31,	Governmental activities 2025	2024
Program revenues:		
Charges for services	$ 237,910	$ 247,020
Revenues-general:		
Telephone tariffs	4,346,414	3,921,804
Other	233,612	234,374
Total revenues	4,817,936	4,403,198
Expenses:		
Public safety	5,485,555	5,299,134
Increase (decrease) in net position	(667,619)	(895,936)
Net position, beginning of year	9,973,001	10,868,937
Net position, end of year	$ 9,305,382	$ 9,973,001

Total revenues increased $414,738 (9.4%) from 2024 to 2025. Total expenses increased $186,421 (3.5%) from 2024 to 2025.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

Governmental Funds

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the District's net resources available for spending at the end of the fiscal year.

- As of the close of the current fiscal year, the District's general fund reported an ending fund balance of $2,931,751, a decrease of $2,432,228 (45.3%) from the prior fiscal year. The fund balance is comprised of the following: nonspendable for $142,130 representing prepaid assets; $2,411,425 representing unassigned available for general purposes of the District; and $378,196 representing unspent certificates of indebtedness from the 2021 debt issue that is to be used for capital improvements.

- The decrease in the fund balance for 2025 is largely due to the capital outlay of fixed asset additions of approximately $2,456,147.

Budgetary Highlights

The original budget for the year ended December 31, 2025 for the District was adopted in December 2024. Two budget revisions were made during the year ended December 31, 2025. The District's budgetary comparison schedule is presented as required supplementary information and shown on Page 34. Actual revenues exceeded budgeted revenues by $372,253. Actual expenditures were $74,323 less than budgeted expenditures.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets: The District's investment in capital assets as of December 31, 2025 amounts to $17,167,665 (net of accumulated depreciation and amortization) compared to $16,258,413 at December 31, 2024. This investment in capital assets includes land, building and improvements, furniture and equipment, and right-of-use assets. During 2025, the District added $2,456,147 in capital assets, which were offset by $1,546,895 in current year depreciation and amortization. Additions of capital assets during 2025 represents expenditures for 911 system upgrades and facility improvements. For additional information regarding capital assets, see Note 3 to the basic financial statements.

Long-Term debt: At December 31, 2025, the District had total debt outstanding of $9,460,000 compared to $10,185,000 at December 31, 2024. The following table summarizes debt outstanding at December 31, 2025 and 2024:

Table 3
Outstanding Debt

December 31,	2025	2024
Certificates of indebtedness	$ 9,460,000	$ 10,185,000

For additional information regarding long-term debt, see Note 5 to the basic financial statements.

Lease Obligations: The District recognized lease obligations totaling $1,356,284 at December 31, 2025, compared to $1,515,615 at December 31, 2024. The following table summarizes the lease obligations outstanding at December 31, 2025:

Table 4
Outstanding Lease Obligations

December 31,	Balance January 1, 2025	Retirements or Payments	Balance December 31, 2025
Lease obligations	$ 1,515,615	$ (159,331)	$ 1,356,284

For additional information regarding lease obligations, see Note 5 to the basic financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

In preparing the budget for the fiscal year 2026, historical data was used to estimate revenue projections and expenditures. Expenditures for operating activities for 2026 are expected to substantially be the same as 2025. Expenditures for capital improvements are expected to be approximately $419,150 for 911 system upgrades and approximately $691,892 for facility refresh improvements. Revenues are expected to be substantially the same as 2025.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Tommy Mazzone, Executive Director, or by calling (318) 675-2222.

BASIC FINANCIAL STATEMENTS

Caddo Parish Communications District Number One
Statement of Net Position

December 31,		**2025**
Assets		
Cash and cash equivalents	$	740,415
Investments		1,552,271
Accounts receivable		696,428
Lease receivables		40,902
Prepaid assets		142,130
Restricted cash		378,196
Capital assets		
Land		498,307
Construction in progress		1,771,394
Depreciable, net		13,669,286
Right-of-use lease assets, net		1,228,678
Total assets		20,718,007
Liabilities		
Accounts payable		443,579
Interest payable		22,221
Accrued expenses		1,570
Unearned revenue		26,274
Non-current liabilities		
Due within one year		
Compensated absences		33,749
Certificates of indebtedness		745,000
Lease liability		169,563
Due in more than one year		
Certificates of indebtedness		8,715,000
Lease liability		1,186,721
Total liabilities		11,343,677
Deferred Inflows of Resources		
Deferred inflows related to leases		68,948
Total deferred inflows of resources		68,948
Net position		
Net investment in capital assets		6,729,577
Unrestricted		2,575,805
Total net position	$	9,305,382

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

Caddo Parish Communications District Number One
Statement of Activities

For the year ended December 31, 2025

Functions/Programs	Expenses	Program Revenues: Charges for services	Net (expense) revenue and changes in net position
Governmental activities			
Public safety	$ 5,159,389	$ 237,910	$ (4,921,479)
Interest expense and related charges	326,166	-	(326,166)
Total governmental activities	$ 5,485,555	$ 237,910	(5,247,645)
General revenues			
Telephone tariffs			4,346,414
Tower lease income			121,990
Interest and investment earnings (loss)			104,508
Miscellaneous			7,114
Total general revenues			4,580,026
Change in net position			(667,619)
Net position, beginning of year			9,973,001
Net position, end of year			$ 9,305,382

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

Caddo Parish Communications District Number One
Balance Sheet - Governmental Funds

December 31,		**2025**
Assets		
Cash and cash equivalents	$	740,415
Investments		1,552,271
Accounts receivable		651,957
Lease receivables		40,902
Prepaid assets		142,130
Restricted cash		378,196
Total assets	$	3,505,871
Liabilities, Deferred Inflows of Resources, and Fund Balances		
Liabilities		
Accounts payable	$	443,579
Accrued expenses		35,319
Unearned revenue		26,274
Total liabilities		505,172
Deferred inflows of resources		
Unavailable revenue - leases		68,948
Total deferred inflows of resources		68,948
Fund balances		
Nonspendable		142,130
Spendable:		
Restricted for capital improvements		378,196
Unassigned		2,411,425
Total fund balances		2,931,751
Total liabilities, deferred inflows of resources, and fund balances	$	3,505,871

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

Caddo Parish Communications District Number One
Reconciliation of the Balance Sheet - Governmental Funds
to the Statement of Net Position

December 31,		**2025**
Total fund balances - governmental funds		$ 2,931,751
Amounts reported for governmental activities in the statement of net position are different because:		
Service charges received for the fourth calendar quarter of the year are received too late to be considered current resources of the governmental fund, but are accrued in the statement net position.		44,471
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Governmental capital assets	32,151,561	
Less accumulated depreciation	(16,212,574)	15,938,987
Right-of-use lease assets	1,957,807	
Less accumulated amortization	(729,129)	1,228,678
Long-term liabilities and interest payable applicable to the District's governmental activities are not due and payable in the current period, and therefore, are not reported in the funds.		
Certificates of indebtedness	(9,460,000)	
Interest payable	(22,221)	
Lease obligations	(1,356,284)	(10,838,505)
Net position of governmental activities		$ 9,305,382

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

Caddo Parish Communications District Number One
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds

For the year ended December 31,		**2025**
Revenues		
Telephone tariffs	$	4,377,356
Tower lease income		121,990
Radio system and equipment fees		237,910
Interest and investment earnings (loss)		104,508
Miscellaneous		7,114
Total revenues		4,848,878
Expenditures		
Current-public safety		
Personnel services		1,141,303
Materials and supplies		80,589
Contracted services		2,475,331
Debt service		
Principal		725,000
Interest, fees, and charges		290,273
Principal on lease obligation		159,331
Interest on lease obligation		37,862
Capital outlay		
Equipment		622,639
Facility refresh		1,626,190
Radio system enhancements		122,588
Total expenditures		7,281,106
Excess (deficiency) of revenues over (under) expenditures		(2,432,228)
Fund balance, beginning of year		5,363,979
Fund balance, end of year	$	2,931,751

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

Caddo Parish Communications District Number One
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds to the Statement of Activities

For the year ended December 31,		**2025**
Net change in fund balances - total governmental funds		$ (2,432,228)
Amounts reported for governmental activities in the statement of activities are different because:		
Some revenues will not be collected within 60 days after the close of the District's fiscal year-end are not considered as "available" revenue in the governmental funds. In the statement of net position, presented on the full accrual basis, these revenues are recognized.		(30,942)
Governmental funds report capital outlays for fixed assets and lease right-of-use assets as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation and amortization expense.		
Capital asset additions	2,456,147	
Depreciation expense	(1,364,612)	
Amortization of right-of-use lease assets	(182,283)	909,252
Repayment of long-term debt principal and lease obligations is an expenditure in the governmental funds, but the repayments reduce long-term liabilities in the statement of net position.		
Repayment of long-term debt	725,000	
Repayment of lease obligations	159,331	884,331
Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.		1,968
Change in net position of governmental activities		$ (667,619)

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Caddo Parish Communications District Number One (the "District") was created by the Caddo Parish Commission (the "Commission") by ordinance on September 25, 1985, as provided under Louisiana Revised Statute (R.S.) 33:9103. The District is comprised of property within the Parish of Caddo and is governed by a Board of Commissioners. The purpose of the District is to provide a primary three-digit emergency telephone number (911) and related support system for Caddo Parish.

Reporting Entity

The basic criterion for determining whether a governmental organization should be included in a primary governmental unit's reporting entity for basic financial statements is financial accountability. Financial accountability includes the appointment of a voting majority of the organization's governing body and the ability of the primary government to impose its will on the organization or if there is a financial benefit/burden relationship. In addition, an organization which is fiscally dependent on the primary government should be included in its reporting entity.

Parish Ordinance No. 4462 of 2006, which amended Section 21-668 of Ordinance No. 2291 of 1985, provides that four (4) board members be nominated by the Mayor of the City of Shreveport, which have been approved by the City Council; one (1) board member be nominated by the Caddo Parish Sheriff; and two (2) board members be appointed from electors outside the City of Shreveport by the Caddo Parish Commission. The Caddo Parish Commission, however, must approve all City and Sheriff nominees. The District constitutes a political subdivision of the State of Louisiana and is a component unit of the Caddo Parish Commission.

The accounting policies of the District conform to generally accepted accounting principles (GAAP) as applied to governmental units. The more significant accounting policies used by the District are described below.

Government-Wide and Fund 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 activities of the District. Governmental activities are normally supported by telephone tariffs and other nonexchange transactions.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. 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) when applicable, grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes, such as telephone tariffs, and other items not properly included among program revenues are reported instead as general revenues.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-Wide and Fund Financial Statements (Continued)

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements. The District has only one fund, the General Fund, which is reported as a major fund and is used to account for all the activities of the District.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

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. 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 and timing requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. 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 generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Government-Wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates governmental funds. Separate financial statements are provided for governmental funds.

Fund Financial Statements

The fund financial statements provide information about the District's funds. The emphasis of fund financial statements is on major governmental funds. The District reports one major governmental fund, the General Fund. The General Fund is the District's primary operating fund. It accounts for all financial resources of the District.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgetary Information

An annual budget is adopted on a basis consistent with generally accepted accounting principles for the General Fund. The appropriated budget is prepared by fund and function. Appropriations in the General Fund lapse at the end of the fiscal year even if they have related encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods or services (i.e., purchase orders, contracts, and commitments). Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. While all appropriations and encumbrances lapse at year end, valid outstanding encumbrances (those for which performance under the executory contract is expected in the next year) are re-appropriated and become part of the subsequent year's budget pursuant to state regulations.

The Louisiana Local Government Budget Act provides that "the total of proposed expenditures shall not exceed the total of estimated funds available for the ensuing year." The "total estimated funds available" is the sum of the estimated fund balance at the beginning of the year and the anticipated revenues for the current year. The District may revise or amend the budget at their discretion.

The proposed budget for the calendar year 2025 was adopted on December 10, 2024.

Assets, Liabilities, Deferred Inflows, and Net Position or Fund Balance

Cash and Cash Equivalents

Cash and cash equivalents include amounts in demand deposits, interest bearing demand deposits, and savings deposits. Cash equivalents include short term, highly liquid investments with original maturities of ninety (90) days or less when purchased. Under state law, the District may deposit funds in demand deposits or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

Restricted cash represents unspent debt proceeds from the 2021 Certificates of Indebtedness issue. These proceeds are required to be used for capital improvements of the District, including its communications system.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities, Deferred Inflows, and Net Position or Fund Balance (continued)

Investments

Investments in money market investments, which consist of governmental money market mutual funds, and debt instruments of federal government agencies, are reported at amortized cost, which approximates market value. State statutes generally authorize the District to invest in direct United States Treasury obligations; indebtedness issued or guaranteed by federal governmental agencies (provided such obligations are backed by the full faith and credit of the U.S. government); indebtedness issued or guaranteed by federally sponsored U.S. government agencies; time certificates of deposit of state banks organized under the laws of Louisiana and national banks having their principal office in the State of Louisiana; or mutual or trust fund institutions which are registered with the Securities and Exchange Commission.

Accounts Receivable

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. Uncollectible amounts are recognized as bad debts through the establishment of an allowance account at the time information becomes available, which would indicate the uncollectibility of the receivable. At December 31, 2025, no allowance for doubtful accounts was established, as all amounts were considered collectible.

Lease Receivables

The District's lease receivables are measured at the present value of lease payments expected to be received during the lease term.

Prepaid Items

Prepaid assets include amounts paid for service in advance, and are shown as an asset until consumed. In addition, a corresponding amount of fund balance of the general fund has been reserved to reflect the amount of fund balance not currently available for expenditure.

Capital Assets

Capital assets, which include property, plant, equipment, and right-of-use lease assets are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of one year.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities, Deferred Inflows, and Net Position or Fund Balance (continued)

Capital Assets (continued)

Land and construction-in-progress are not depreciated. The other property, plant, and equipment are depreciated using the straight-line method over the following estimated useful lives:

Capital asset classes	Lives
Building and improvements	10-30 years
Furniture and equipment	4-30 years

Deferred Inflows of Resources

In addition to liabilities, the statements of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has one item that qualifies for reporting as deferred inflows of resources. The deferred inflows related to leases are associated with amounts owed to the District, as lessor, by entities leasing the District's capital assets.

Compensated Absences

All District employees shall earn vacation leave on the anniversary of their qualifying date. There is no carryover of unused vacation time. Employees resigning or retiring from the District are paid for their accrued vacation leave. All District employees shall accrue paid sick leave on a monthly basis, and accumulated sick leave shall not exceed 240 hours. For employees resigning or retiring, accumulated sick leave is canceled upon termination.

In the fund financial statements, the matured liability for compensated absences is reported in the General Fund. The total liability is reported in the government-wide financial statements. Due to the adoption of GASB Statement No. 101, *Compensated Absences*, accrued sick leave benefits are accrued and reported in the GWFS. However, the District's policy of not paying sick time benefits upon termination is still in effect. No accrual is made in the governmental funds because the liability is not matured.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities, Deferred Inflows, and Net Position or Fund Balance (continued)

Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds and are recorded as an adjustment to interest expense. Bonds payable are reported net of the applicable bond premium or discount. In accordance with GASB Codification (GASBC) Section I30: *Interest Costs – Imputation*, bond issuance costs are expensed in the period incurred except for prepaid insurance costs.

In the governmental fund financial statements, bond premiums and discounts, as well as bond issuance costs, are expensed during the current period. The face amount of debt issued, and repayments are reported as other financing sources. Premiums received on debt issuances and discounts on debt issuances are reported as other financing uses.

Leases

Lease contracts that provide the District with control of a non-financial asset, such as land, buildings or equipment, for a period of time in excess of twelve months are reported as a right-of-use lease asset with a related lease liability. The lease liability is recorded at the present value of future lease payments, including fixed payments, variable payments based on an index or fixed rate, and reasonably certain residual guarantees. The intangible right-of-use lease asset is recorded for the same amount as the related lease liability plus any prepayments and initial direct costs to place the asset in service. Right-of-use lease assets are amortized over the shorter of the useful life of the asset or the lease term. The lease liability is reduced for lease payments made, less the interest portion of the lease payment.

Categories and Classification of Net Position and Fund Balance

Net position flow assumption – Sometimes the District will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the District's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities, Deferred Inflows, and Net Position or Fund Balance (continued)

Categories and Classification of Net Position and Fund Balance (continued)

Fund balance flow assumptions – Sometimes the District will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the District's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Fund balance policies – Fund balance of governmental funds is reported in various classifications based on the nature of any limitations requiring the use of resources for specific purposes. The District itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The provisions of GASBC Section 1800, *Classification and Terminology*, specifies the following classifications:

Nonspendable fund balance – Nonspendable fund balances are amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Restricted fund balance – Restricted fund balances are restricted when constraints placed on the use of resources are either: (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

The unspent proceeds from the 2021 Certificates of Indebtedness can be used only for the purpose of making capital improvements to the District, and therefore are restricted at December 31, 2025.

Committed fund balance – The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the District's highest level of decision-making authority. The Board of Commissioners is the highest level of decision-making authority for the District that can, by adoption of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities, Deferred Inflows, and Net Position or Fund Balance (continued)

Categories and Classification of Net Position and Fund Balance (continued)

Assigned fund balance – Amounts in the assigned fund balance classification are intended to be used by the District for specific purposes but do not meet the criteria to be classified as committed. The Board of Commissioners may also assign fund balance, as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

Unassigned fund balance – Unassigned fund balance is the residual classification for the General Fund.

Revenues

Program Revenues

Amounts reported as program revenues include 1) charges to various parish agencies, (i.e. Fire, Police, City, etc.) that purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) when applicable, grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

Telephone Tariffs

On April 5, 1986, the voters of Caddo Parish approved the assessment of a telephone surcharge fee pursuant to Louisiana Revised Statute 33:9106 to fund the development, implementation and operation of an enhanced emergency telephone reporting system, 9-1-1. Since the initial election and authorization to assess surcharge fees, the fees have been increased over time through authorization by legislative action. During the 1996 Special Session of the Louisiana Legislature, LSA – R.S. 9131.1 was enacted, which enabled the District to assess cellular and other wireless telecommunications services, as well as allow the District to increase the 9-1-1 surcharge fee upon voter approval, and convert the fee structure from a tariff based rate to a flat fee. On September 21, 1996, the voters of Caddo Parish approved two referendums, which allowed the District to increase the 9-1-1 surcharge fees for residential and business wireline subscribers, and allowed the District to assess cellular and other wireless services. Effective December 1, 1996, the rate for wireline business customers was $2.00 per month per line up to 100 lines, and the rate for wireline residential customers was $1.00 per month per line. The rate for cellular and wireless services was $1.00 per month per line per subscriber.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenues (continued)

Telephone Tariffs (continued)

During the 2009 legislative session, Act 531 of 2009 was enacted that allowed for the assessment of 9-1-1 surcharge fees on prepaid wireless services to be levied by retailers at the point of sale at 2% of amount of services purchased. The prepaid wireless funds are collected by the retailers and then remitted to the Louisiana Department of Revenue (DOR). The DOR then distributes the surcharge fees on a quarterly basis to each communications district based upon population of each parish according to the latest census.

As a result of tariff increases approved by the Louisiana Public Service Commission, effective January 1, 2016, the Board of Commissioners of the District adopted an ordinance which increased wireline residential and wireline business rates effective July 1, 2016. The wireline residential surcharge fee became $1.25 per month per line, and the wireline business surcharge fee became $2.50 per line per month up to 100 lines per business.

Pursuant to Act 665 of 2016, the Board of Commissioners adopted an ordinance on September 20, 2016, which became effective on January 1, 2017, increasing the District's 9-1-1 surcharge fees on postpaid wireless services to $1.25 month.

Pursuant to Act 590 of 2016, which became effective on October 1, 2016, the prepaid wireless surcharge fee rate increased from 2% to 4% at the point of sale by the retailer on the amount of prepaid wireless service purchased.

Total revenues derived from wireless service providers in Caddo Parish for the year ended December 31, 2025, were $2,971,861 . In accordance with R.S. 33:9109, the financial records of the District must be audited pursuant to the provisions of R.S. 24:513. In addition, each district is required to submit an annual report to the legislative auditor, which includes information on the revenues derived from the wireless service charges authorized by 33:9109 and the use of such revenues. Such report must include a report on the status of implementation of wireless E911 service. The District has completed the implementation of wireless Enhanced 9-1-1 service within Caddo Parish and expended $2,613,121 in communications enhancements for the year ended December 31, 2025.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make various estimates. Actual results could differ from those estimates.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, May 20, 2026, and determined there were no events that occurred that required disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

Recently Issued and Implemented Accounting Pronouncements

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

GASB Statement No. 102, *Certain Risk Disclosures*. The objective of this Statement is to provide essential information about risks related to a government's vulnerabilities due to certain concentrations (a lack of diversification related to an aspect of a significant revenue source or expense) or constraints (limitations Imposed externally or by formal action of a government's highest level of decision-making authority). A government is required to disclose information about such risks if a concentration or constraint (1) is known to the government before the financial statements are available to be issued, (2) makes the government vulnerable to the risk of a substantial impact, and (3) an event or events associated with the concentration or constraint that could cause the substantial impact has occurred, begun to occur, or is more likely than not to begin to occur within 12 months of the date the financial statements are available to be issued. There were no significant impacts of implementing this Statement.

Future Accounting Pronouncements

GASB Statement No. 103, *Financial Reporting Model Improvements*. The objective of this Statement is to improve key components of the financial reporting blueprint to enhance its effectiveness in providing essential information and to address certain application issues. The Statement requires changes to management's discussion and analysis to make it easier to read and understand and to focus on explaining the reasons why balances and results of operation have changed. The Statement also provides more explicit definitions of operating and nonoperating revenues and expenses and changes the presentation of nonoperating revenues and expenses in the proprietary funds statement of revenues, expenses, and changes in fund net position. The new standards also (1) combine extraordinary items and special items into a single category, unusual or infrequent items, and clarify how they should be reported; (2) limits the reporting of major component unit information to the face of the government-wide financial statements, if it does not reduce their readability, or in combining financial statements following the fund financial statements; and (3) requires that budgetary comparisons be presented as required supplementary information, eliminating the option to present them as basic financial statements. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Future Accounting Pronouncements **(Continued)**

GASB Statement No. 104, *Disclosure of Certain Capital Assets*. The objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets. In addition to existing requirements regarding the level of detail with which notes to financial statements should disclose intangible right-to-use lease and subscription-based information technology arrangements (SBITA) assets, the Statement requires that (1) intangible right-to-use assets recognized by government operators in a public-public partnership should be disclosed by major class of underlying asset; (2) other types of intangible assets should be disclosed by major class; and (3) right-to-use assets should be disclosed separately from owned assets of the same type. The Statement also establishes that capital assets held for sale are those a government has decided to sell and whose sale within a year of the financial statement date is probable. Capital assets held for sale should be disclosed together with other capital assets of the same class. Governments also should disclose in notes the historical cost and accumulated depreciation (or amortization) of capital assets held for sale, as well as the carrying amount of debt for which they are pledged as collateral, by major class of asset for governmental and business-type activities. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter.

GASB Statement No. 105, *Subsequent Events*. The objective of this Statement is to enhance the consistency with which the standards for reporting subsequent events are applied, thereby better meeting the information needs of financial statement users. The Statement defines subsequent events as transactions or other events that occur after the date of the financial statements but before the date the financial statements are available to be issued (that is, when the financial statements are complete in a form and format that complies with generally accepted accounting principles and approvals necessary for issuance have been obtained), rather than the date the financial statements are issued. The date through which subsequent events have been evaluated should be disclosed. A recognized subsequent event provides evidence of conditions that existed at the financial statement date that inform accounting estimates reported as of the financial statement date and should be reflected in those estimates. A nonrecognized subsequent event results in a significant effect (favorable or unfavorable) that is recognized or disclosed in the basic financial statements in the reporting period in which the event occurs and is one of the following: a debt-related transaction; government combination or a disposal of government operations; a change to the legally separate entities that compose the financial reporting entity; or a transaction or other event that is of such a nature that disclosure is essential to a user's analysis for making decisions or assessing accountability. Governments will be required to disclose a description of the nonrecognized event and its effect and an estimate of the amount of the effect (or the reason why an estimate cannot be made). The requirements of this Statement are effective for fiscal years beginning after June 15, 2026, and all reporting periods thereafter.

The District is evaluating the requirements of the above statements and the impact on reporting.

Note 2: DEPOSITS AND INVESTMENTS

The District had a carrying value of total cash at December 31, 2025 of $1,118,611, which consisted of unrestricted cash of $740,415 and restricted cash of $378,196. Total cash amounts on deposit at the bank at December 31, 2025 amounted to $1,233,919; the difference between this amount and the total carrying value is due to outstanding checks at the end of the year. In accordance with state law, all cash on deposit was insured by federal depository insurance or collateralized with securities held in the District's name by the depository bank.

Restricted cash represents unspent debt proceeds from the 2021 Certificates of Indebtedness issue. These proceeds are required to be used for capital improvements of the District, including its communications system.

Under state law and its own policy, the District may invest in U.S. Treasury obligations, debt issued or guaranteed by federal agencies or federal government instrumentalities and backed by the United States of America, certificates of deposit or share accounts of certain banks, credit unions, or savings and loan associates within the state, and debt issued by the state or any of its political subdivisions.

Custodial credit risk – Custodial credit risk for deposits is the risk in the event of the failure of a depository financial institution the District may not be able to recover deposits. It is the District's policy to require collateralization with securities owned by the pledging institution for those amounts of deposits in excess of federal depository insurance amounts.

For an investment, this is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Except for its mutual funds, which are not categorized as to level of risk because they are not evidenced by securities that exist in physical or book entry form, the District's other investments are insured up to $500,000 by the Securities Investor Protection Corporation. The District's investment cash is fully insured by federal depository insurance under an overnight sweep program.

Interest rate risk – Interest rate risk is the possibility that interest rates will rise and reduce the fair value of an investment. The District's investment policy limits interest rate risk by requiring that an attempt be made to match investment maturities with known cash needs and anticipated cash flow requirements.

Credit risk – GASBC Section I50: *Investments* of the GASBC requires that governments provide information about credit risk associated with their investments by disclosing the credit rating of investments in debt securities as described by nationally recognized statistical rating organizations. The District's investment policy does not address credit risk.

Note 2: DEPOSITS AND INVESTMENTS (Continued)

Concentration risk – GASBC Section I50: *Investments* of the GASBC requires disclosures of investments in any one issuer that represents five percent or more of total investments, excluding investments issued or explicitly guaranteed by the U.S. government, investments in mutual funds, external investments pools and other pooled investments. The District's investment policy does not address concentration risk.

Fair Value – GASBC Section 3100: *Fair Value Measurements* establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The three levels of the fair value hierarchy under the codification are described as follows:

Level 1 (L1): Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the District has the ability to access.

Level 2 (L2): Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 (L3): Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Investments consist of the following at December 31, 2025:

			Maturities (in years)		
	Fair Value Level	Fair Value	Less Than 1	1-5	More Than 5
Investment cash	N/A	$ 1,452	$ 1,452	$ -	$ -
Governmental money market mutual funds	N/A	1,550,819	1,550,819	-	-
Total included in cash and cash equivale		1,552,271	1,552,271	-	-
Total investments		$ 1,552,271	$ 1,552,271	$ -	$ -

Note 3: CAPITAL ASSETS

The following is a summary of changes in capital assets during the year ended December 31, 2025:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities				
Capital assets, not being depreciated				
Land and land improvements	$ 498,307	$ -	$ -	$ 498,307
Construction-in-progress	1,223,527	1,626,189	(1,078,322)	1,771,394
Total capital assets not being depreciated	1,721,834	1,626,189	(1,078,322)	2,269,701
Capital assets, being depreciated				
Buildings and improvements	9,198,754	-	(127,431)	9,071,323
Furniture and equipment	21,449,480	1,908,280	(2,547,223)	20,810,537
Total capital assets, being depreciated	30,648,234	1,908,280	(2,674,654)	29,881,860
Less accumulated depreciation for				
Buildings and improvements	(7,033,865)	(246,351)	127,431	(7,152,785)
Furniture and equipment	(10,488,751)	(1,118,261)	2,547,223	(9,059,789)
Total accumulated depreciation	(17,522,616)	(1,364,612)	2,674,654	(16,212,574)
Total capital assets being depreciated, net	13,125,618	543,668	-	13,669,286
Right-of-use lease assets, being amortized				
Land	1,957,807	-	-	1,957,807
Less accumulated amortization for				
Land	(546,846)	(182,283)	-	(729,129)
Right-to-use lease assets being amortized, net	1,410,961	(182,283)	-	1,228,678
Governmental activities capital assets, net	$16,258,413	$ 1,987,574	$(1,078,322)	$17,167,665

Depreciation and amortization expense of $1,546,895 was charged to the public safety function for governmental activities.

Construction-in-progress represents payments to date for facility refurbishments.

Note 4: LESSOR LEASES

The District accounts for leases in accordance with GASBC Section L20, *Leases*. During 2025, the District leased two communications tower sites to three private communications service providers, of which two terminated during the year. The remaining non-cancelable lease agreement expires in 2026, and provides for an annual advance payment of $42,068. The District recognized $121,990 of lease revenue principal and $4,486 of lease interest for the year ended December 31, 2025.

The following is a schedule by years of minimum future revenues from non-cancelable agreements as of December 31:

For the year ending December 31,	Principal	Interest	Total
2026	$ 40,902	$ 1,166	$ 42,068
Total	$ 40,902	$ 1,166	$ 42,068

Note 5: LONG-TERM DEBT AND LIABILITIES

Long-term Debt

Long-term debt from direct borrowings consists of the following:

$12,240,000 Certificates of Indebtedness, Series 2021, due in annual installments of $665,000 to $985,000 through December 1, 2036, interest at 2.85%.	$ 9,460,000

There are a number of limitations and restrictions contained in the Certificates of Indebtedness.

Management believes that the District is in substantial compliance with all significant limitations and restrictions. The certificates are secured by and payable solely from a pledge of the excess of annual revenues. Total interest expense incurred on all debt, including leases, during 2025 amounted to $326,166 as reported in the statement of activities.

Note 5: LONG-TERM DEBT AND LIABILITIES

Long-term Debt (continued)

The annual requirements to amortize long-term debt are as follows:

For the years ending December 31,	Certificates of Indebtedness	Interest Payments	Total
2026	$ 745,000	$ 269,610	$ 1,014,610
2027	765,000	248,378	1,013,378
2028	790,000	226,575	1,016,575
2029	810,000	204,060	1,014,060
2030	835,000	180,975	1,015,975
2031-2035	4,530,000	535,088	5,065,088
2036	985,000	28,072	1,013,072
Total	$ 9,460,000	$ 1,692,758	$ 11,152,758

Lessee Leases

At December 31, 2025, the District has three non-cancelable operating leases for the lease of land on which communication tower sites were constructed. Two leases have remaining terms ending in 2028 with an aggregate monthly rental of $6,037. One lease has a remaining term ending in 2035 with a current monthly rental amount of $11,583, escalating by 13% in 2030. Total annual payments made under these leases for the year ended December 31, 2025 was $197,193.

The following is a schedule of minimum future lease payments from lease agreements as of December 31:

For the years ending December 31,	Principal Payments	Interest Expense	Total
2026	$ 169,563	$ 36,165	$ 205,728
2027	180,285	31,479	211,764
2028	130,394	26,795	157,189
2029	115,530	23,467	138,997
2030	721,456	59,360	780,816
2031-2035	39,056	186	39,242
Total	$ 1,356,284	$ 177,452	$ 1,533,736

Note 5: LONG-TERM DEBT AND LIABILITIES

Changes in Long-Term Liabilities

Long-term liabilities activity for the year ended December 31, 2025, was as follows for governmental activities:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Certificates of indebtedness, Series 2021	$ 10,185,000	$ -	$ (725,000)	$ 9,460,000	$ 745,000
Compensated absences	31,196	2,553	-	33,749	33,749
Lease liabilities	1,515,615	-	(159,331)	1,356,284	169,563
Long-term liabilities	$ 11,731,811	$ 2,553	$ (884,331)	$ 10,850,033	$ 948,312

Note 6: CONTRACTED SERVICES

Contracted services include payments for outside services such as telephone, equipment and property maintenance, tower rental, utilities, payments to the City of Shreveport, and professional services. Payments to the City of Shreveport were to reimburse the Shreveport Fire Department for the costs associated with providing centralized dispatching for the Caddo Parish Fire Districts.

A summary of contracted services for the year ended December 31, 2025 is as follows:

For the year ended December 31,	**2025**
Telephone	$ 659,394
Payments to the City of Shreveport	386,488
Equipment and property maintenance	954,895
Professional services	103,068
Utilities	149,365
General liability insurance	108,450
Other	113,671
Total contracted services	$ 2,475,331

Note 7: BENEFIT PLAN

The District provides a deferred compensation plan in accordance with the Internal Revenue Code Section 457 (Section 457 Plan). Because the District's Section 457 Plan does not meet the criteria established GASBC Section D25: *Deferred Compensation Plans (IRC Section 457)*, the balances in assets and liabilities are not presented in the financial statements of the District. The District is required to contribute 7.5% of each employee's compensation to the plan; such contributions amounted to $54,704 for the year ended December 31, 2025.

Note 8: RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District obtains commercial insurance to cover or reduce the risk of loss that might arise should one of these incidents occur. No settlements were made during the current or prior three fiscal years that exceeded the District's insurance coverage.

Note 9: COMMITMENTS AND CONTINGENCIES

At December 31, 2025, the District had an uncompleted construction contract for renovations related to the Facility Refresh Project that began during 2025. The remaining commitment on this construction project, including retainage, is approximately $402,000.

REQUIRED SUPPLEMENTARY INFORMATION

Caddo Parish Communications District Number One
Budgetary Comparison Schedule - General Fund

For the year ended December 31, 2025	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Telephone tariffs	$ 3,839,615	$ 4,019,580	$ 4,377,356	$ 357,776
Tower lease income	130,862	128,440	121,990	(6,450)
Interest income	51,193	94,210	104,508	10,298
Miscellaneous	219,340	234,395	245,024	10,629
Total revenues	4,241,010	4,476,625	4,848,878	372,253
Expenditures				
Current-public safety				
Personnel services	1,337,648	1,147,827	1,141,303	6,524
Materials and supplies	86,000	82,740	80,589	2,151
Contracted services	2,745,731	2,852,565	2,475,331	377,234
Debt service (principal, interest, fees, and charges)	1,015,273	1,015,273	1,015,273	-
Debt service on lease obligation (principal, interest, fees, and charges)	-	-	197,193	(197,193)
Capital outlay	2,892,032	2,257,024	2,371,417	(114,393)
Total expenditures	8,076,684	7,355,429	7,281,106	74,323
Net change in fund balance	(3,835,674)	(2,878,804)	(2,432,228)	446,576
Fund balance, beginning of year	5,057,543	5,363,979	5,363,979	-
Fund balance, end of year	$ 1,221,869	$ 2,485,175	$ 2,931,751	$ 446,576

Budget and Budgetary Accounting

The District adopts a budget for the General Fund. Budgetary data was prepared based on prior year actual operating revenues and expenditures. The District follows these procedures in establishing the budgetary data reflected in these financial statements:

(1) The budget sub-committee prepares a proposed budget and submits it to the Board of Commissioners. At the same time, a public hearing is called.

(2) A public hearing is held on the proposed budget.

(3) After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted through passage of a resolution at least 15 days prior to the commencement of the fiscal year for which the budget is being adopted.

(4) The budget document is structured such that revenues are budgeted by source and appropriations are budgeted by function and by object. District policy provides that expenditures may not legally exceed appropriations on a functional basis. Budgetary amendments require approval of the Board of Commissioners. Two budget revisions were made during the year ended December 31, 2025.

(5) All budgetary appropriations lapse at the end of each fiscal year.

The basis of accounting applied to budgetary data presented is substantially consistent with the appropriate basis of accounting for the fund.

Budget Variances - Major Funds

During 2025, total actual revenues did not fail to meet budgeted revenues by 5% or more, and actual expenditures did not exceed budgeted expenditures by 5% or more.

OTHER SUPPLEMENTARY INFORMATION

Caddo Parish Communications District Number One
Supplementary Information in Accordance with
Louisiana Revised Statute 33:9109E
For the Year Ended December 31, 2025

The District assesses a 911 surcharge fee for cellular and other wireless services. The assessment of the wireless 911 surcharge fee was approved to fund, along with other funding sources, Phases I and II enhancements required by the FCC, a parish wide 800 MHz trunked radio system, and other communication enhancements. As of December 31, 2025, the radio project is completely implemented and is being used to serve the citizens of Caddo Parish.

Total revenues derived from wireless service providers in Caddo Parish for the year ended December 31, 2025 are as follows:

Revenues derived from wireless service providers	$ 2,971,861

Total expenditures for the parish-wide P25 Radio System and other communication enhancements for the year ended December 31, 2025 are as follows:

Radio communication enhancements, including debt service	$ 2,613,121

Caddo Parish Communications District Number One
Schedule of Compensation, Reimbursements, Benefits, and Other Payments to Agency Head
For the Year Ended December 31, 2025

Agency Head Name: Thomas Mazzone, Executive Director

Purpose		Amount
Salary	$	121,356
Benefits - insurance - health	$	47,757
Benefits - insurance - dental	$	846
Benefits - retirement	$	9,327
Benefits - Medicare	$	1,803
Car allowance	$	3,000
Dues and memberships	$	624
Reimbursements	$	976
Conference travel (hotel, registration, per diem, etc.)	$	4,284

REPORT ON INTERNAL CONTROL AND COMPLIANCE MATTERS

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

Members of the Board of Commissioners
Caddo Parish Communications District Number One

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the general fund of the Caddo Parish Communications District Number One (the "District"), a component unit of the Caddo Parish Commission, 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 20, 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 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. 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 or significant deficiencies may exist that were not 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 entity'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 Legislative Auditor as a public document.

Carr, Riggs & Ingram, L.L.C.

CARR, RIGGS & INGRAM, L.L.C.

Shreveport, Louisiana
May 20, 2026

Caddo Parish Communications District Number One
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2025

Section I – Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
• Material weakness(es) identified?	___ yes _X_ no
• Significant deficiency(es) identified?	___ yes _X_ none noted
Noncompliance material to financial statements noted?	___ yes _X_ no

Federal Awards

N/A

Section II – Financial Statement Findings

Current Year Findings

None

Prior Year Findings

None