

**DESOTO PARISH FIRE  
PROTECTION DISTRICT NO. 5**  
Stanley, Louisiana

**FINANCIAL REPORT**  
December 31, 2024

**DESOTO PARISH FIRE PROTECTION DISTRICT NO. 5**

Stanley, Louisiana

**FINANCIAL REPORT**

December 31, 2024

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## Independent Auditor's Report

To the Board of Commissioners  
DeSoto Parish Fire Protection District No. 5  
Stanley, Louisiana

### Report on the Audit of the Financial Statements

#### Opinions

We have audited the financial statements of the governmental activities and the major fund of the of the DeSoto Parish Fire Protection District No. 5 (the District), a component unit of the DeSoto Parish Policy Jury, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the District, as of December 31, 2024, 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 (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the *Louisiana Governmental Audit Guide*. 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 these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

#### Auditor's Responsibility for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial 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 information listing in the table of contents as Required Supplementary Information Part I and Part II 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 GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The information listed in the table of contents as Supplementary Information are presented for the purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the information is fairly stated, in all material respects, in relation to the 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 17, 2025, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and in considering the District's internal control over financial reporting and compliance.

*Dees Gardner, Certified Public Accountants, LLC*

Mansfield, Louisiana

June 17, 2025

## REQUIRED SUPPLEMENTARY INFORMATION (PART I)

**DESOTO PARISH FIRE DISTRICT NO. 5**  
Stanley, Louisiana  
**Management's Discussion and Analysis**  
December 31, 2024

As management of the DeSoto Parish Fire Protection District No. 5 (the District), a component unit of the DeSoto Parish Police Jury, we offer the readers of our annual financial report our discussion and analysis of the District's financial performance during the fiscal year that ended on December 31, 2024. The District's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section. We encourage readers to consider the information presented here in conjunction with the District's basic financial statements and supplementary information provided in this report in assessing the efficiency and effectiveness of our stewardship of public resources.

**FINANCIAL HIGHLIGHTS**

The District's net position increased by \$156,293 (4.27%) for the year ending December 31, 2024, compared to an increase of \$235,422 (6.88%) in 2023. This continues a trend of increases for the District.

Property tax revenues decreased \$101,549 (18.01%) to \$491,697 during the year ended December 31, 2024, compared to an increase of \$212,548 (60.48%) to \$563,977 during 2023. Starting in the prior year, there was a change in assessing oil and gas wells for ad valorem tax purposes. Due to the District's reliance on oil and gas properties for ad valorem taxes, this change clearly impacted assessed values during the reassessment conducted for the 2024 tax year.

The District's total general and program revenues were \$512,318 in 2024 compared to \$601,213 in 2023, a decrease of \$88,895 (14.79%). This decrease is primarily due to the decrease in ad valorem revenues.

During the year ended December 31, 2024, total expenses of the district (excluding depreciation of \$133,721) remained fairly stable at \$222,304, compared to \$215,227 in 2023.

**OVERVIEW OF FINANCIAL STATEMENTS**

This Management Discussion and Analysis document introduces the basic financial statements which include government-wide financial statements and fund financial statements. These two types of financial statements present the District's financial position and results of operations from differing perspectives, which are described as follows:

**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. There are two government-wide statements: the statement of net position and the statement of activities.

The statement of net position presents information on all of the District's assets and deferred outflows of resources, and liabilities and deferred inflows of resources with the difference between them presented 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 government'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.

Both of the government-wide financial statements distinguish functions of the District that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The District does not report any business-type activities.

**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 only reports one fund type, governmental funds.

*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 available at the end of the fiscal year. Such information may be useful in evaluating a government'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 government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains one governmental fund, the general fund, which is its only major fund. As provided for by Louisiana R.S. 47:1906, the general fund is the principal fund of the District and used to account for the operations of the District.

## 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.

## Required Supplementary Information

The basic financial statements are followed by a section of required supplementary information. There is a budget comparison schedule for the general fund.

## Supplementary Information

The schedule of compensation, benefits and other payments to agency head or chief executive officer is presented to fulfill the requirements of Louisiana Revised Statute 24:513(A)(3).

## FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net position may serve over time as a useful indicator of the District's financial position. The total net position changed from a year ago, increasing from \$3,656,815 to \$3,813,108.

The following table provides a summary of the District's net position as December 31,:

	Governmental Activities	
	2024	2023
<b>ASSETS</b>		
Cash and cash equivalents	\$ 878,373	\$ 546,213
Investments	544,669	523,774
Accounts receivable	477,760	567,908
Prepaid expenses	30,457	25,220
Capital assets, net	1,901,930	2,035,651
Total assets	<u>3,833,189</u>	<u>3,698,766</u>
<b>LIABILITIES</b>		
Current liabilities	20,081	41,951
Total liabilities	<u>20,081</u>	<u>41,951</u>
<b>NET POSITION</b>		
Net investment in capital assets	1,901,930	2,035,651
Unrestricted	1,911,178	1,621,164
Total net position	<u>\$ 3,813,108</u>	<u>\$ 3,656,815</u>

A portion of the District's net position, \$1,901,930 (49.88%) reflects its investment in capital assets such as buildings, equipment, and software, with an historical cost of \$4,285,299 less accumulated depreciation of \$2,383,369. The District uses these capital assets to provide services to the public; consequently, these assets are not available for future spending.

\$1,911,178 (50.12%) of the District's net position is unrestricted as of December 31, 2024, compared to \$2,035,651 (44.33%) as of December 31, 2023, and may be used to meet the ongoing obligations to the citizens of DeSoto Parish.



An analysis of the government-wide Statement of Activities for the years ended December 31,:

	Governmental Activities	
	2024	2023
Program Revenues:		
Operating grants and contributions	\$ 9,600	\$ -
General Revenues:		
Ad Valorem Taxes	462,428	563,977
Intergovernmental revenues	15,111	16,363
Miscellaneous income	1,720	2,000
Gain (loss) on sale of assets	-	3,000
Interest income	23,459	15,873
Total revenues	512,318	601,213
Expenses		
Public Safety	356,025	365,791
Total expenses	356,025	365,791
Increases in net position	156,293	235,422
Net Position, beginning	3,656,815	3,421,393
Net Position, ending	\$ 3,813,108	\$ 3,656,815

As the above presentation demonstrates, the District has increased its reserves by \$156,293 or 4.27%.

The District received \$462,428 (90.26%) and \$563,977 (93.81%) of its total revenues through property taxes during 2024 and 2023, respectively. Investment earnings increased 47.79% from \$15,873 for the year ending December 31, 2023 to \$23,459 for the year ending December 31, 2024 due to increased interest rates realized during the year.

#### FINANCIAL ANALYSIS OF THE DISTRICT'S GOVERNMENTAL FUND

For the year ended December 31, 2024, differences between the government-wide presentation and the fund financial statements were due to depreciation charges associated with capital assets and differences in unavailable property tax revenue.

#### GENERAL BUDGET BUDGETARY HIGHLIGHTS

Formal budgetary integration is employed as a management control device during the fiscal year. The budget policy of the District complies with state law, as amended, and as set forth in Louisiana Revised Statutes Title 39, Chapter 9, Louisiana Local Government Budget Act (LSA-RS 39:1301 et seq.). The District's budget was not amended during 2024. Actual revenues budgetary basis were \$26,128 (4.54%) less than budgeted amounts. Actual expenditures budgetary basis were \$336,826 (57.97%) less than the budgeted amounts. The District is in compliance with the Local Government Budget Act for year ending December 31, 2024.

#### CAPITAL ASSET ADMINISTRATION

For the year, ended December 31, 2024, the District did not acquire any new capital assets.

#### DEBT ADMINISTRATION

At December 31, 2024, the District had no debt on capital assets.

#### ECONOMIC FACTORS EXPECTED TO EFFECT FUTURE OPERATIONS

At the present time, no known issues are expected to have a significant impact on future operations. The 2025 budget was prepared based on December 31, 2024 results.

#### REQUEST FOR INFORMATION

This report is designed to provide a general overview of the District's finances and seeks to demonstrate the District's accountability for the money she received. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Rebecca Conleay, Secretary/Treasurer, at P.O. Box 1089, Logansport, Louisiana, 71049.

## BASIC FINANCIAL STATEMENTS

**DESOTO PARISH FIRE DISTRICT NO. 5**

Stanley, Louisiana

**GOVERNMENTAL FUND BALANCE SHEET / STATEMENT OF NET POSITION**

December 31, 2024

	Governmental Fund Financial Statements		Government-wide Statements
	<b>Balance Sheet</b>		<b>Statement of</b>
	<b>General Fund</b>	<b>Adjustments</b>	<b>Net Position</b>
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 878,373	\$ -	\$ 878,373
Investments	544,669	-	544,669
Accounts receivable	477,760	-	477,760
Prepaid expenses	30,457	-	30,457
Noncurrent assets:			
Capital assets, net (see note 4)	-	1,901,930	1,901,930
Net pension asset	-	-	-
Total assets	<u>\$ 1,931,259</u>	<u>\$ 1,901,930</u>	<u>\$ 3,833,189</u>
<b>LIABILITIES</b>			
Current Liabilities:			
Accounts payable	\$ 18,665	\$ -	\$ 18,665
Payroll liabilities	1,416	-	1,416
Total liabilities	<u>20,081</u>	<u>-</u>	<u>20,081</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable ad valorem taxes	14,281	(14,281)	-
Total deferred inflows of resources	<u>14,281</u>	<u>(14,281)</u>	<u>-</u>
<b>FUND BALANCE / NET POSITION</b>			
Fund Balances:			
Nonspendable - Prepaid expenses	30,457	(30,457)	-
Unassigned	1,866,440	(1,866,440)	-
Total fund balances	<u>1,896,897</u>	<u>(1,896,897)</u>	<u>-</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 1,931,259</u>	<u>(1,911,178)</u>	
Net Position:			
Net investment in capital assets		1,901,930	1,901,930
Unrestricted		1,911,178	1,911,178
Total net position		<u>\$ -</u>	<u>\$ 3,813,108</u>

The notes to the financial statements are an integral part of this statement.  
See the accompanying independent auditor's report.

**DESOTO PARISH FIRE DISTRICT NO. 5**  
Stanley, Louisiana

**RECONCILIATION OF FUND BALANCE ON THE BALANCE SHEET  
FOR GOVERNMENTAL FUNDS TO NET POSITION OF GOVERNMENTAL  
ACTIVITIES ON THE STATEMENT OF NET POSITION**  
December 31, 2024

<b>Fund Balance - Governmental Fund</b>	\$	1,896,897
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		1,901,930
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Unavailable ad valorem taxes are reported as deferred inflows of resources in the governmental funds, but are reflected as income in the Government-wide statement.		14,281
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<b>Total Net Position of Government Activities</b>	\$	<u><u>3,813,108</u></u>
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The notes to the financial statements are an integral part of this statement.  
See the accompanying independent auditor's report.

**DESOTO PARISH FIRE DISTRICT NO. 5**  
Stanley, Louisiana

**STATEMENT OF GOVERNMENTAL FUND REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE / STATEMENT OF ACTIVITIES**  
For the year ended December 31, 2024

	Governmental Funds Financial Statements		Government-wide Statements
	Statement of Revenues, Expenditures, and Changes in Fund Balance		Statement of Activities
	General Fund	Adjustments	
<b>Expenditures / Expenses</b>			
Current			
General Government-Public Safety:	\$ 222,304	\$ -	\$ 222,304
Depreciation	-	133,721	133,721
Total expenditures / expenses	222,304	133,721	356,025
<b>Program revenues</b>			
Operating grants and contributions	9,600	-	9,600
Total program revenues	9,600	-	9,600
Net program expense			(346,425)
<b>General revenues</b>			
Property taxes	460,934	1,494	462,428
Intergovernmental revenues	15,111	-	15,111
Miscellaneous income	1,720	-	1,720
Investment earnings	23,459	-	23,459
Total general revenues	501,224	1,494	502,718
<b>Net change in fund balance / Change in net position</b>	288,520	(132,227)	156,293
<b>Fund balance / Net position</b>			
Beginning of the year	1,608,377		3,656,815
End of the year	\$ 1,896,897		\$ 3,813,108

The notes to the financial statements are an integral part of this statement.  
See the accompanying independent auditor's report.

**DESOTO PARISH FIRE DISTRICT NO. 5**  
Stanley, Louisiana

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE OF GOVERNMENTAL FUND TO THE STATEMENT OF ACTIVITIES**

For the year ended December 31, 2024

<b>Net change in Fund Balance - Governmental Fund</b>	\$ 288,520
Governmental funds report capital outlays as expenditures. However in the Statement of Activities, the cost of the assets are capitalized and allocated over their estimated useful lives and reported as depreciation expense. Therefore, capital expenditures are not recorded in the statement of activities.	
Capital outlays	-
Depreciation	(133,721)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.	
Change in unavailable ad valorem taxes	1,494
	<hr/>
<b>Net change in Net Position</b>	\$ <u><u>156,293</u></u>

The notes to the financial statements are an integral part of this statement.  
See the accompanying independent auditor's report.

## NOTES TO THE FINANCIAL STATEMENTS

**DESOTO PARISH FIRE DISTRICT NO. 5**  
Stanley, Louisiana  
**NOTES TO THE FINANCIAL STATEMENTS**  
As of and for the year ended December 31, 2024

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## **INTRODUCTION**

DeSoto Parish Fire Protection District No. 5 (the District) was created by the DeSoto Parish Police Jury (the Police Jury), as authorized by Louisiana Revised Statute 40:1492 on April 16, 1988. The District is governed by a five-member board appointed in accordance to LRS 40:1496 as follows: two members by the Police Jury, two members by the Village of Stanley, and one by the other four members. The District has two paid employees; a part-time administrative employee and a part-time fire chief. The District is responsible for maintaining and operating four fire stations and related equipment, and providing fire protection within the District's boundaries.

### **1. Summary of Significant Accounting Policies**

The accompanying basic financial statements of the District have been prepared in conformity with governmental accounting principles generally accepted in the United States of America applicable to state and local governments (GAAP). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for GAAP for state and local governments through its pronouncements. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 24:513 and the *Louisiana Governmental Audit Guide*.

#### **A. Reporting Entity**

A primary government is financially accountable for an organization if (a) it appoints a voting majority of the organization's governing board and is able to impose its will on the organization or there is a potential for the organization to provide specific financial benefits to or impose specific financial burdens on the primary government; or (b) total outstanding debt, including leases, is expected to be repaid entirely or almost entirely with resources from the primary government. The Police Jury appoints or ratifies a voting majority of the board and has the ability to impose its will on them. Based on these criteria, the District was determined to be a component unit of the Police Jury, the primary government. The accompanying financial statements present information only on the funds maintained by the District and do not present information on the Police Jury.

**B. Basis of Presentation—Government-wide Financial Statements** — The government-wide financial statements consist of a statement of net position and a statement of activities to report information about the District as a whole. The statement of net position reports all financial and capital resources. The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: (1) operational grants and contributions for the Public Safety function. Other items not properly included among program revenues are reported instead as general revenues. Gains and losses on the sale of capital assets are reported as general revenues.

**C. Basis of Presentation—Fund Financial Statements** — Fund financial statements report detailed information about the District. The District has only governmental funds. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is reported in a separate column. All remaining governmental funds are aggregated and presented in a single column as non-major funds.

The District has only one governmental fund, the general fund, its only major fund. As provided by LA R.S. 47:1906, the general fund is the principal fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund. The general fund is always reported as a major fund in the governmental fund statements.

**D. Measurement Focus and Basis of Accounting** — 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. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Amounts reported as program revenues include: (1) operational grants and contributions for the Public Safety function. Internally dedicated resources are reported as general revenues rather than as program revenues. General revenues include ad valorem taxes, intergovernmental revenues, investment earnings and other amounts not reported as program revenues.



**DESOTO PARISH FIRE DISTRICT NO. 5**  
Stanley, Louisiana  
**NOTES TO THE FINANCIAL STATEMENTS**  
As of and for the year ended December 31, 2024

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**1. Summary of Significant Accounting Policies (Continued)**

**D. Measurement Focus and Basis of Accounting (Continued)**

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. An exception to this is federal and state grants collected on a reimbursement basis, which are recognized as revenue when reimbursable expenditures are made. 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 financed purchases are reported as other financing sources.

Interest on invested funds is recognized when earned. Intergovernmental revenues that are reimbursements for specific purposes or projects are recognized in the period in which the expenditures are recorded. All other revenue items are considered to be measurable and available only when cash is received by the District.

The District funds outlays for a particular purpose from both restricted 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. When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed. 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 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.

Since the fund level statements are presented using a different measurement focus and basis of accounting than the government-wide statements, a reconciliation is presented on the page following each set of financial statements that summarizes the adjustments necessary to convert the fund level statements into the government-wide presentations.

**E. Cash, Cash Equivalents, and Investments**

Cash and cash equivalents includes amounts in demand accounts, interest-bearing demand deposits, and certificates of deposits with maturities of 90 days or less at the time of purchase. Investments include certificates of deposit with maturities over 90 days at the time of purchase. Under state law, the District may deposit funds with a fiscal agent organized under the laws of Louisiana, the laws of any other state in the union, or the laws of the United States. The District may invest in United States bonds, treasury notes and bills, government-backed agency securities, or certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana.

**F. Prepaid Expenses**

Payments made for services that will benefit future accounting periods are recorded as prepaid expenses.

**G. Accounts Receivable**

The only receivables for the governmental activities are ad valorem taxes, state revenue sharing funds, and accrued interest. Substantially all receivables are considered to be fully collectible, and no allowance for uncollectibles is used.

**DESOTO PARISH FIRE DISTRICT NO. 5**  
Stanley, Louisiana  
**NOTES TO THE FINANCIAL STATEMENTS**  
As of and for the year ended December 31, 2024

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**1. Summary of Significant Accounting Policies (Continued)**

**H. Capital Assets**

Capital assets, which include property, plant, and equipment, are reported in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The District maintains a threshold level of \$2,500 or more for capitalizing capital assets. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Depreciation of all exhaustible capital assets is recorded as an expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Buildings	20 years
Firefighting equipment	5-15 years
Fire trucks	15 years

**I. Deferred Inflows of Resources**

In addition to liabilities, the balance sheet will sometimes report a separate section for deferred inflows of resources. Deferred inflows of resources arise when potential revenues do not meet both the "available" and "measurable" criteria for recognition in the current period. In subsequent periods, when both revenue recognition criteria have been met the deferred inflows of resources is removed from the balance sheet and revenue is recognized.

This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance 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 only one type of item, which arises only under a modified accrual basis of accounting that qualifies for reporting in the category. Accordingly, the item, unavailable ad valorem revenue, is reported only in the governmental funds balance sheet. The District has \$14,281 in unavailable ad valorem revenue at December 31, 2024.

**J. Compensated Absences**

The District does not provide for the accumulation and vesting of leave.

**K. Equity Classifications**

Net Position

The District classifies net position in the government-wide financial statements, as follows:

- Net investment in capital assets – consists of net capital assets reduced by outstanding balances of any related debt obligations and deferred inflows of resources attributable to the acquisition, construction, or improvement of those assets and increased by balances of deferred outflows of resources related to those assets.
- Restricted net position – net position is considered restricted if its use is constrained to a particular purpose. Restrictions are imposed by external organizations such as federal or state laws or buyers of the District's bonds. Restricted net position is reduced by liabilities and deferred inflows of resources related to the restricted assets.
- Unrestricted net position – consists of all other net position that does not meet the definition of the above two components and is available for general use by the District.

Fund Balances

The District classifies fund balances in governmental funds as follows:

- Nonspendable- Resources that are not in spendable form (such as prepaid expenses) because they are legally or contractually required to be maintained intact.

**DESOTO PARISH FIRE DISTRICT NO. 5**  
Stanley, Louisiana  
**NOTES TO THE FINANCIAL STATEMENTS**  
As of and for the year ended December 31, 2024

---

**1. Summary of Significant Accounting Policies (Continued)**

**K. Equity Classifications (Continued)**

- Restricted- Resources constrained to specific purposes by their providers (such as grantors or higher levels of government).
- Committed- Resources constrained by the District itself. To be reported as committed, amounts cannot be used for any other purpose unless the District takes the action to remove or change the constraint.
- Assigned- Resources the District intends to use for a specific purpose.
- Unassigned- Resources that are available for any purpose.

The District establishes (and modifies and rescinds) fund balance commitments and assignments through adoption and amendment of the budget. The District would typically use restricted fund balances first, followed by committed resources, and then assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first and to defer the use of these other classified funds.

The General Fund, the District's only governmental fund, has an unassigned fund balance of \$1,866,440.

**L. Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**2. Cash, Cash Equivalents, and Investments**

At December 31, 2024, the District had cash, cash equivalents, and investments balances of \$1,423,042 (book balances) as follows:

Cash and interest bearing demand deposits	\$	878,373
Investments - Certificates of Deposit		544,669
Total	\$	<u>1,423,042</u>

The cash, cash equivalents, and investments of the District are subject to the following risks:

*Interest Rate Risk:* This is the risk that changes in market interest rates will adversely affect the fair value of the certificate of deposit. Generally, the longer the maturity of the investment, the greater the sensitivity of its fair value is to changes in market interest rates. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The District's deposits are in interest bearing and non-interest bearing checking and savings accounts and certificates of deposit with maturities of one-year or less which limits exposure to fair value losses.

*Custodial Credit Risk:* Custodial credit risk is the risk that, in the event of the failure of a depository financial institution, the government will not be able to recover its deposits. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Louisiana Revised Statute 39:1229 imposes a statutory requirement of the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the District that the fiscal agent has failed to pay deposited funds upon demand. Further, Louisiana Revised Statute 39:1224 states that securities held by a third party shall be deemed to be held in the District's name.

At December 31, 2024, the District had \$1,425,164 in deposits (collected bank balances). These deposits were secured from risk by \$604,699 of federal deposit insurance and \$820,466 of pledged securities with a total market value of \$1,350,228. At December 31, 2024, all balances were covered by pledged securities or federal deposit insurance.

**DESOTO PARISH FIRE DISTRICT NO. 5**  
Stanley, Louisiana  
**NOTES TO THE FINANCIAL STATEMENTS**  
As of and for the year ended December 31, 2024

**3. Accounts Receivable**

At December 31, 2024, receivables consisted of the following:

Ad valorem taxes	\$	473,490
State revenue sharing		921
Accrued interest		3,349
Total	\$	<u>477,760</u>

**4. Capital Assets**

Capital asset balances and activity for the year ended December 31, 2024, are as follows:

<u>Governmental Activities</u>	<u>Balance</u> <u>12/31/2023</u>	<u>Additions</u>	<u>Deletions /</u> <u>Reclassifications</u>	<u>Balance</u> <u>12/31/2024</u>
Vehicles	\$ 2,223,721	\$ -	\$ -	\$ 2,223,721
Buildings	1,560,188	-	-	1,560,188
Firefighting Equipment	501,390	-	-	501,390
Total	<u>4,285,299</u>	<u>-</u>	<u>-</u>	<u>4,285,299</u>
Less accumulated depreciation				
Vehicles	1,414,298	75,368	-	1,489,666
Buildings	406,872	44,203	-	451,075
Firefighting Equipment	428,478	14,150	-	442,628
Total	<u>2,249,648</u>	<u>133,721</u>	<u>-</u>	<u>2,383,369</u>
Capital assets, net	\$ <u>2,035,651</u>	\$ <u>(133,721)</u>	\$ -	\$ <u>1,901,930</u>

Depreciation expense of \$133,721 was charged to the public safety function.

**5. Levied Taxes**

The District levies taxes on real and business property located within the boundaries of the District. Property taxes are levied by the District on property values assessed by the DeSoto Parish Tax Assessor and approved by the State of Louisiana Tax Commission. The DeSoto Parish Sheriff's offices bills and collects property taxes for the District. Collections are remitted to the District monthly. The District recognizes property tax revenues when levied.

The property tax calendar is as follows:

Assessment date	January 1, 2024
Levy date	June 30, 2024
Tax bills mailed	October 15, 2024
Total taxes are due	December 31, 2024
Penalties & interest added	January 31, 2025
Tax sale	May 15, 2025

The District has an authorized and levied 10.24 mills ad valorem tax for 2024. The resolution assessing the taxes was approved by the District voters December 10, 2016, effective for 10 years beginning with the tax year 2018 and ending with the tax year 2027. The taxes are normally collected in December of the current year and January and February of the ensuing year. Total assessed value in the District was \$48,017,284 in 2024. Louisiana state law exempts the first \$75,000 of assessed value of a taxpayer's primary residence from parish property taxes. For the District, the homestead exemption represents \$2,858,340 in assessed value for 2024 or \$29,269 in total revenues. The District recognized \$462,428 in Ad valorem tax revenues for 2024.

**DESOTO PARISH FIRE DISTRICT NO. 5**  
Stanley, Louisiana  
**NOTES TO THE FINANCIAL STATEMENTS**  
As of and for the year ended December 31, 2024

**5. Levied Taxes (Continued)**

The following are the principal taxpayers for the District (2024 amounts):

	Type of business	Assessed valuation	% of total taxable valuation	Ad valorem tax revenue for the District
Comstock Oil & Gas	Oil & Gas	\$ 18,292,531	40.51%	\$ 187,329
Enterprise Gathering, LLC	Oil & Gas	\$ 5,049,656	11.18%	51,699
Enable Midstream Partners, LP	Oil & Gas	\$ 3,676,905	8.14%	37,642
DTM Louisiana Gas Gathering, LLC	Oil & Gas	\$ 3,284,308	7.27%	33,618
SWN Production (Louisiana) LLC	Oil & Gas	\$ 1,691,615	3.75%	17,341
Louisiana Midstream Gas Service	Oil & Gas	\$ 1,182,582	2.62%	12,116
Amplify Energy Operating, LLC	Oil & Gas	\$ 1,137,900	2.52%	11,653
Tennessee Gas Pipeline Co Div	Oil & Gas	\$ 913,415	2.02%	9,341
Aethon Energy Operating LLC	Oil & Gas	\$ 785,828	1.74%	8,046
ATMOS Energy Louisiana	Utility	\$ 586,644	1.30%	6,012
Total		<u>\$ 36,601,384</u>	<u>81.05%</u>	<u>374,797</u>

**6. Risk Management**

The District is exposed to various risks of loss related to torts, theft of or damage to and destruction of assets and errors and omissions. To reduce these risks, the District purchases commercial insurance. No settled claims from these risks have exceeded insurance coverage in the last three years. There were no significant changes to insurance coverage during the year ended December 31, 2024.

**7. Litigation**

There is no litigation pending against the District, at December 31, 2024, nor is it aware of any unasserted claims.

**8. Lease Agreement**

The District entered into an operating lease with the DeSoto Parish School Board in May of 1989 for the land on which one of the stations is located. The lease term was 98 years and the amount of the lease was one dollar, which was paid at the inception of the lease. This lease was renegotiated and a new lease option was approved in August, 2010.

**9. Compensation to Board Members**

The members of the Board of Commissioners of the District receive no compensation for their services.

**10. Cooperative Endeavor Agreements**

During 2019, the District, along with 5 other Parish Fire Districts, entered into a Cooperative Endeavor Agreement with the DeSoto Parish Sheriff's Office. The Sheriff's Office will provide the Fire Districts with adequate dispatching services for the annual sum of \$275,000 (payable in four quarterly payments) to be paid proportionally by each of the Fire Districts based on 2018 millage revenues. The total portion of Fire District 5 is \$11,187 (\$2,796.75 due quarterly). The DeSoto Sheriff agreed to hire 4 full time employees to provide the dispatching services and to employ a communications supervisor for those employees dispatching for the Fire Districts.

During the year, the District entered into an agreement with the DeSoto Parish Ambulance Service (DPEMS) for DPEMS to provide vehicle maintenance services for the District at the DPEMS maintenance facility in Keatchie, Louisiana. The agreement is for \$8,000 per year with a one-year term.

**11. Subsequent events**

Management has performed an evaluation of the District's activities through June 17, 2025, and has concluded that there are no significant events requiring recognition or disclosure through the date and time these financial statements were available to be issued.

## REQUIRED SUPPLEMENTARY INFORMATION (PART II)

**DESOTO PARISH FIRE DISTRICT NO. 5**  
Stanley, Louisiana

**BUDGETARY COMPARISON SCHEDULE -- GENERAL FUND**  
For the year ended December 31, 2024

	Budgeted Amounts			Budgetary	Actual	Variance
	Original	Final	Actual	basis	amounts	with
				adjustment	budgetary	final
Revenues					basis	budget
						postive
						(negative)
Property taxes	\$ 563,000	\$ 563,000	\$ 460,934	\$ 90,204	\$ 551,138	\$ (11,862)
Operating grants and contributions	-	-	9,600	-	9,600	9,600
Intergovernmental revenues	9,900	9,900	15,111	-	15,111	5,211
Miscellaneous income	2,000	2,000	1,720	-	1,720	(280)
Investment earnings	-	-	23,459	-	23,459	23,459
Total revenues	574,900	574,900	510,824	90,204	601,028	26,128
Expenditures						
Current						
General government - public safety	331,000	331,000	222,304	21,870	244,174	86,826
Capital outlays	250,000	250,000	-	-	-	250,000
Total expenditures	581,000	581,000	222,304	21,870	244,174	336,826
Net change in fund balance	(6,100)	(6,100)	288,520	68,334	356,854	362,954
Fund Balance						
Beginning of the year	1,608,377	1,608,377	1,608,377		1,608,377	-
End of the year	\$ 1,602,277	\$ 1,602,277	\$ 1,896,897		\$ 1,965,231	\$ 294,620

The notes to the financial statements are an integral part of this statement.  
See the accompanying independent auditor's report.

**DESOTO PARISH FIRE PROTECTION DISTRICT NO. 5**

Stanley, Louisiana

**NOTE TO BUDGETARY COMPARISON SCHEDULE**

December 31, 2024

**Budgetary Information**

The budget is prepared in accordance with accounting principles generally accepted in the United States of America. The budget is adopted annually on the modified accrual basis of accounting. The budget comparison schedule presents the original adopted budget and the final amended budget, if applicable.

DeSoto Parish Fire Protection District No. 5 is required by state law to adopt an annual budget. A proposed budget is prepared by the governing board in November and made available for public inspection no later than 15 days prior to December 31, of each year. In an open meeting prior to December 31, the budget is adopted and becomes part of the official minutes of the Fire District. The budget was approved November 20, 2023.

Once a budget is approved, it can be amended by approval of a majority of the Board. Amendments are presented at a regular open meeting for Board approval. The budget was not amended during the year. For the year ended December 31, 2024, total actual budgetary basis were more than final budgeted revenues by \$26,128 (4.54%). Total actual expenditures budgetary basis were \$336,836 (57.97%) less than the final budgeted expenditures.



## SUPPLEMENTARY INFORMATION

**DESOTO PARISH FIRE DISTRICT NO. 5**

Stanley, Louisiana

**SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS  
TO AGENCY HEAD OR CHIEF EXECUTIVE OFFICER**

For the year ended December 31, 2024

**Todd Kreamer, Fire Chief**

## Purpose:

	Amount
Salary	\$ 10,428
Benefits- Medicare	151
Benefits- Social Security	647
Deferred compensation	-
Other benefits	-
Payroll taxes	-
Car Allowance	-
Reimbursements	2,000
Per diem travel	-
Travel - lodging	-
Registration fees	-
Conferences and seminars	-
Continuing professional education fees	-
Cell phone	-
Unvouchered expenses	
Special meals	

Supplementary information  
See the accompanying independent auditor's report.

OTHER REPORTS REQUIRED BY  
*GOVERNMENTAL AUDITING STANDARDS*



# Dees Gardner, Certified Public Accountants, LLC

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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***

DeSoto Parish Fire Protection District No. 5  
Stanley, Louisiana

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the *Louisiana Governmental Audit Guide* the financial statements of the governmental activities and the major fund of the DeSoto Parish Fire Protection District No. 5 (the District), a component unit of the DeSoto Parish Policy Jury, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated June 17, 2025.

### **Report on Internal Control over Financial Reporting**

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or 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 preceding 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 were not identified. However, as described in the accompanying schedule of findings and responses, we identified certain deficiencies in internal control that we consider to be material weaknesses. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and responses as items 2024-01, 2024-02, and 2024-03 that we consider to be material weaknesses.

### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance and other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and responses as items 2024-04 and 2024-05.

## **DeSoto Parish Fire Protection District No. 5's Responses to Findings**

*Government Auditing Standards* requires the auditor to perform limited procedures on the District's responses to the findings identified in our audit and described in the accompanying management response to audit findings. The District's responses were not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

### **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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However, this report is a matter of public record, and its distribution is not limited. Under Louisiana Revised Statute 21:513, this report is distributed by the Louisiana Legislative Auditor as a public document in accordance with Louisiana Revised Statute 44:6.

*Dees Gardner, Certified Public Accountants, LLC*

Mansfield, Louisiana

June 17, 2025

**DESOTO PARISH FIRE DISTRICT NO. 5**  
Stanley, Louisiana  
**Schedule of Findings and Responses**  
For the Year ended December 31, 2024

**Part I. Summary of Auditor's Results**

**INDEPENDENT AUDITOR'S REPORT:**

We have audited the basic financial statements of the DeSoto Parish Fire Protection District No. 5 (the District) as of and for the year ended December 31, 2024, and have issued our report thereon dated June 17, 2025. 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 and the *Louisiana Governmental Audit Guide*. Our audit of the financial statements as of December 31, 2024, resulted in an unmodified opinion.

**REPORT ON COMPLIANCE AND INTERNAL CONTROL OVER THE FINANCIAL REPORTING:**

**Internal Control**

Significant Deficiency

☐ Yes

☒ No

Material Weaknesses

☒ Yes

☐ No

**Compliance**

Compliance Material to Financial Statements

☒ Yes

☐ No

A management letter was not issued.

**FEDERAL AWARDS**

Not applicable

**Part II. Findings relating to the Financial Statements which are required to be Reported under *Government Auditing Standards*.**

**FINDINGS RELATED TO INTERNAL CONTROL**

**2024-01.** Inadequate design of internal control over financial closing and reporting.

*Criteria:* Management has a duty to maintain controls to ensure financial statements are reliable. Controls should be in place to assure that transactions are classified correctly and are complete.

*Condition:* Transactions are not recorded to permit preparation of financial statements in conformity with GAAP.

*Cause:* The District's staff lacks knowledge necessary to internally complete the adjusting and closing entries for financial statement reporting requirements.

*Effect:* The District's management and staff may not identify material misstatements in the financial statements.

*Recommendation:* The District should either: 1) obtain the resources and/or knowledge necessary to internally prepare the closing and adjusting entries and preparing the financial statements in accordance with GAAP, or 2) determine if the cost of 1) overrides the benefit of correcting this control deficiency.

**2024-02** Inadequate segregation of duties and oversight over purchasing, disbursements and payroll.

*Criteria:* Good internal controls require checks and balances. More than one employee should be involved in the purchasing, disbursement, and payroll functions. Management and the board should ensure that controls are in place such that all disbursements and payments are (1) reasonable and necessary; (2) budgeted; (3) documented and approved; and (4) solely for the public purposes/functions of the Fire District.

*Condition:* It was routinely observed that disbursements lacked documentation of approval. In addition, several duplicate payments and overpayments suggest a lack of oversight. The only employees of the District are paid a set salary. There is no documentation of time or approval for payment. The documentation for volunteer firemen reimbursements do not include documentation of management approval.

*Cause:* The small, part-time staff within the entity make good internal controls difficult to establish.

*Effect:* Unauthorized transactions could occur and not be detected.

*Recommendation:* Good internal controls should be established to the extent possible to prevent both intentional and unintentional errors. All disbursements, including payroll related disbursements should be approved by an employee that does not post and process the payment. Employees should be documenting that they have worked their required hours prior to payroll processing. Management and the board should closely review approvals for payment. Board members should be familiar with the process of reviewing financial statements and bank reconciliations to identify potential errors.

**2024-03** Cooperative Endeavor Agreements

*Criteria:* Article VII, §14 of the Louisiana Constitution Section 14(A) generally prohibits the state and its political subdivisions from donating public funds or property. The use of Cooperative Endeavor Agreements is sometimes necessary to document the public benefit of certain payments and to clearly define the terms and obligations associated with such payments.

*Condition:* A payment to another local governmental was made without a Cooperative Endeavor Agreement detailing the benefits to be provided to the District as a result of the payment.

*Cause:* Unknown.

*Effect:* The District could be in violation of Article VII, §14 of the Louisiana Constitution Section 14(A).

*Recommendation:* Cooperative Endeavor Agreements should be used for documenting the public benefit to the District when it is not clear and to detail the terms and obligations associated with the payments.

**FINDINGS RELATED TO COMPLIANCE**

**2024-04** Noncompliance with the Louisiana Code of Governmental Ethics.

*Criteria:* Louisiana Revised Statutes LSA-R.S. 42:1170(A)(3)(a)(i) require each public servant to receive a minimum of one hour of education and training on the Code of Governmental Ethics during each year of his public employment.

*Condition:* One board member of the Commission did not complete the required training on the Code of Governmental Ethics.

*Cause:* Unknown.

*Effect:* Penalties could be assessed by the Board of Ethics.

*Recommendation:* Management should ensure that all employees and commissioners complete the required Ethics training annually.

**2024-05** Noncompliance with Prevention of Sexual Harassment Law.

*Criteria:* Louisiana Revised Statutes LSA-R.S. 42:343A(1) require each public servant to receive a minimum of one hour of education and training on the prevention of sexual harassment during each full calendar year of his public employment. Louisiana Revised Statutes LSA-R.S. 42:344A require each agency head to compile an annual report by February 1 of each year containing information regarding compliance with training and complaint handling for the previous calendar year

*Condition:* All employees and board members did not complete the required training on prevention of sexual harassment. The District did not compile an annual report for the calendar year in accordance with LSA-R.S. 42:344.

*Cause:* Unknown.

*Effect:* Unknown

*Recommendation:* Management should ensure that all employees and commissioners complete the required sexual harassment training annually. Management should ensure an annual report on sexual harassment training and complaint handling be completed by February 1 of each year.



**DeSoto Parish Fire Protection District No. 5**

P.O. Box 1089  
Logansport, LA 71049

**Management Response To Audit Findings**

**2024-01** Inadequate design of internal control over financial closing and reporting.

Management's Response: Based upon the cost versus benefit of obtaining the necessary resources and/or training, management has determined it is not cost effective and in our best interest to continue to outsource this task to the independent auditor, and to carefully review the draft financial statements and notes prior to approving them and accepting responsibility for their content and presentation.

**2024-02** Inadequate segregation of duties and oversight over purchasing, disbursements and payroll

Management's response: Management is in agreement with the recommendations.

**2024-03** Cooperative Endeavor Agreements

Management's response: Management is in agreement with the recommendations.

**2024-04** Noncompliance with the Louisiana Code of Governmental Ethics.

Management's response: Management is in agreement with the recommendation.

**2024-05** Noncompliance with Prevention of Sexual Harassment Law.

Management's response: Management is in agreement with the recommendation.

**DESOTO PARISH FIRE DISTRICT NO. 5**  
Stanley, Louisiana  
**Schedule of Prior Year Findings**  
For the Year ended December 31, 2024

**2023-01.** Inadequate design of internal control over financial closing and reporting.

Unresolved.

**2023-02** Inadequate segregation of duties and oversight over purchasing, disbursements and payroll

Unresolved.

**2023-03** Cooperative Endeavor Agreements

Unresolved.

**2023-04** Noncompliance with the Louisiana Code of Governmental Ethics.

Unresolved.

OTHER REPORTS REQUIRED BY *LOUISIANA GOVERNMENTAL AUDIT GUIDE*



# Dees Gardner, Certified Public Accountants, LLC

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## Independent Accountant's Report On Applying Agreed-Upon Procedures

To the DeSoto Parish Fire Protection District No. 5 and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below, which were agreed to by the DeSoto Parish Fire Protection District No. 5 (the District) and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2024, through December 31, 2024. The District's management is responsible for those C/C areas identified in the SAUPs.

The District has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period January 1, 2024, through December 31, 2024. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

### 1) *Written Policies and Procedures*

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- A. Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories (if applicable to public funds and the entity's operations):
- i. **Budgeting**, including preparing, adopting, monitoring, and amending the budget.
  - ii. **Purchasing**, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.
  - iii. **Disbursements**, including processing, reviewing, and approving.
  - iv. **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions.
  - v. **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee rates of pay or approval and maintenance of pay rate schedules.
  - vi. **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
  - vii. **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
  - viii. **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
  - ix. **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read 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. **Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

*Procedure results: Entity does not have any written policies and procedures.*

## **2) Board or Finance Committee**

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- A. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
  - i. Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
  - ii. For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds. Alternatively, for those entities reporting on the not-for-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.
  - iii. For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.
  - iv. Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

*Procedure results: Budget-to-actual comparisons are not referenced in minutes. No written updates on the progress of resolving audit findings.*

## **3) Bank Reconciliations**

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- A. Obtain a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for selected each account, and observe that:
  - i. Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);
  - ii. Bank reconciliations include 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 (e.g., initialed and dated, electronically logged); and
  - iii. Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

*Procedure results: Bank reconciliations do not include evidence of review, only bank statements. Multiple items outstanding over 12 months. Errors with bank reconciliations indicate a lack of review.*

#### **4) Collections (excluding EFTs)**

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- 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).
- B. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:
  - i. Employees that are responsible for cash collections do not share cash drawers/registers.
  - ii. Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.
  - iii. Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
  - iv. The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee 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 that 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 procedure #3A under "Bank Reconciliations" above (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). 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 that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).
  - v. Trace the actual deposit per the bank statement to the general ledger.

*Procedure results: Entity does not collect any cash, only checks by mail. Deposits observed were not made timely and in some cases months after receipt. Deposits observed were not posted to the correct general ledger accounts.*

#### **5) Non-Payroll Disbursements (exclude card and petty cash purchases, and travel reimbursements)**

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- A. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).
- B. For each location selected under #5A above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:
  - i. At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
  - ii. At least two employees are involved in processing and approving payments to vendors.

- 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.
  - 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.
  - 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.
- C. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population 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 that the disbursement matched the related original invoice/billing statement.
  - ii. Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.
- D. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3A, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds 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.

*Procedure results: Several payments reviewed did not include documentation of approval. There were several payments made based on statements without itemized breakdowns of purchases and some payments lacked any documentation.*

#### **6) Credit Cards/Debit Cards/Fuel Cards/P-Cards**

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- A. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.
- 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 that there is evidence that the monthly statement or combined statement and supporting documentation was reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder.
  - ii. Observe that finance charges and late fees were not assessed on the selected statements.
- C. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

*Procedure results: No documentation of approval noted on statement. Receipts were missing for some purchases. Fuel card statements provide only summary information, not detailed usage.*

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

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- 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, 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:
- If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov)).
  - If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
  - Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policies and procedures procedure 1A.
  - Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

*Procedure results: No exceptions were noted as a result of this procedure.*

## **8) Contracts**

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

*Procedure results: No exceptions were noted as a result of this procedure.*

## **9) Payroll and Personnel**

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- A. Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
- B. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #9A above, obtain attendance records and leave documentation for the pay period, and:
- Observe that all selected employees/officials documented their daily attendance and leave.
  - Observe that supervisors approved the attendance and leave of the selected employees/officials.
  - Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
  - Observe the rate paid to the employees or officials agrees to the authorized salary/pay rate found within the personnel file.
- C. Obtain a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees/officials, obtain related documentation of the hours and pay rates used in management's termination payment



calculations, agree the hours to the employee/officials' cumulate leave records, and agree the pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files.

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

*Procedure results: The entity has two employees who are paid a set salary. Employees do not document attendance or that required hours have been worked.*

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**10) Ethics**

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

*Procedure results: No exceptions were noted as a result of this procedure.*

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**11) Debt Service**

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

*Procedure results: Section not applicable to entity.*

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**12) Fraud Notice**

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

*Procedure results: No exceptions were noted as a result of this procedure.*

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

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

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

*Procedure results: We performed the procedures and discussed the results with management.*

#### **14) Prevention of Sexual Harassment**

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

*Procedure results: The entity had zero public servants complete sexual harassment training. The entity does not have a sexual harassment policy or complaint procedure posted. The entity did not compile an annual sexual harassment report for the fiscal period.*

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

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

The purpose of this report is 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.

*Dees Gardner, Certified Public Accountants, LLC*

Mansfield, LA  
June 17, 2025

**DeSoto Parish Fire Protection District No. 5**

P.O. Box 1089  
Logansport, LA 71049

**Management Response to statewide agreed upon procedure exceptions**

**Section 1 - Written Policies and Procedures**

Management is working to adopt formal written policies and procedures to address the required sections.

**Section 2 – Board or Finance Committee**

Management acknowledges that budget to actual comparisons need to be reviewed in meetings. Management acknowledges the audit findings must be resolved.

**Section 3 – Bank Reconciliations**

Management will make sure that management approval is documented and that outstanding items are reviewed moving forward.

**Section 4 - Collections**

The entity does not employ any full-time staff and makes a limited number of collections. Management does not believe the costs of employing full-time staff to make timely deposits is worth the benefit but will ensure deposits are made in a reasonable timeframe. Management will work to ensure deposits are properly classified in the general ledger.

**Section 5 – Non-payroll Disbursements**

Management will make sure all transactions include documentation of approval and include an itemized, original invoice.

**Section 6 – Credit Cards/Debit Cards**

Management will make sure that all card statements are approved and have supporting documentation. Fuel card statement approvals will include usage statements where any usage exceptions will be researched. Management will also ensure all statements are paid timely to avoid late fees.

**Section 9 – Payroll and Personnel**

Management will ensure that employees will certify that required hours have been worked prior to approving payroll time.

**Section 10 – Ethics**

Management will ensure that all employees and board members complete the required ethics training.

**Section 14 – Sexual Harassment**

Management is working to develop a sexual harassment policy. Once the policy is implemented, it will be posted in a conspicuous place on the premises. Management will ensure that all employees and board members complete sexual harassment training as required.