

DESOTO PARISH AMBULANCE SERVICE DISTRICT

Annual Financial Statements

June 30, 2024

DESOTO PARISH AMBULANCE SERVICE DISTRICT
DeSoto Parish, Louisiana

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INDEPENDENT AUDITOR'S REPORT

The Board of Commissioners
DeSoto Parish Ambulance Service District
Mansfield, LA 71052

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and the major fund of the DeSoto Parish Ambulance Service District (the District), a component unit of the DeSoto Parish Police Jury, as of and for the year ended June 30, 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 June 30, 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. 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, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's 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 doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the information listed 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 required supplementary information in accordance with GAAS, which consists 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 supplementary information, listed in the table of contents as Other Supplementary Information, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplementary 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 supplementary 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 December 30, 2024, 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 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
December 30, 2024

REQUIRED SUPPLEMENTARY INFORMATION (PART I)

DESOTO PARISH AMBULANCE SERVICE DISTRICT

d/b/a DeSoto EMS

For the year ending June 30, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS

Within this section of the DeSoto Parish Ambulance Service District's (the District) (doing business as DeSoto EMS) annual financial report, the District's management is pleased to provide this narrative overview and analysis of the financial activities of the District as of and for the fiscal year ended June 30, 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.

The DeSoto Parish Ambulance Service District was determined to be a component unit of the DeSoto Parish Policy Jury. The Jury is financially accountable for the district because it appoints or ratifies a voting majority of its board and has the ability to impose its will on them. The accompanying financial statements present information only on the funds maintained by the DeSoto Parish Ambulance Service District.

FINANCIAL HIGHLIGHTS

District's net position increased \$2,159,569 (10.79%) to \$22,171,794 for the year ended June 30, 2024. The increase in net position was primarily the result of increased revenues experienced during the year of \$2,263,665 (26.72%).

Ad valorem taxes increased \$1,370,429 from \$5,042,072 during the year ending June 30, 2023 to \$6,412,501 during the current year. This increase was due to the implementation of a new law during the year governing the assessment of oil and gas wells and associated equipment for ad valorem tax purposes.

Charges for services revenues increased \$886,162 (40.06%) in 2024 to \$3,098,179 from \$2,212,017 in 2023.

During the year ended June 30, 2024, the District's expenses remained relatively stable, increasing 2.94% to \$8,547,366 (which includes \$657,328 in depreciation and amortization).

OVERVIEW OF THE FINANCIAL STATEMENTS

This Management's Discussion and Analysis document introduces the District's basic financial statements. The basic financial statements include: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the basic financial statements. The basic financial statements include two kinds of financial statements that present different views of the District – Governmental Fund Financial Statements and Government-wide Financial Statements. The Notes to the Financial Statements explain some of the information in the financial statements and provide additional detail. This report also contains additional required supplementary information and other supplementary information in addition to the basic financial statements. These components are described below. The District maintains one governmental fund, the General Fund.

GOVERNMENTAL FUND FINANCIAL STATEMENTS

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives and to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, governmental fund financial statements focus on the District's most significant funds rather than the District as a whole.

Governmental funds are reported in the governmental fund financial statements and encompass the same function reported as governmental activities in the government-wide financial statements. However, the focus is very different with fund statements providing a distinctive view of the District's governmental funds. The governmental fund financial statements report short-term fiscal accountability focusing on the use of spendable resources and balances of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and commitment of spendable resources for the short term.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-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 assist in understanding the differences between these two perspectives. The governmental fund financial statements are presented in the first column of the basic financial statements in this report.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The District's annual report includes two government-wide financial statements. These statements provide both long-term and short-term information about the District's overall financial status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in accrual accounting. These statements report all revenues and expenses connected with the year, even if cash has not been received or paid and the statements include all assets of the District as well as liabilities (long-term debt). The government-wide financial statements include two statements.

Statement of Net Position.

This is the government-wide statement of position presenting information that includes all of the District's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating. Evaluation of the overall health of the District would also extend to other non-financial factors such as diversification of the taxpayer base, in addition to the financial information proved in this report.

Statement of Activities.

This reports how the District's net position changed during the current fiscal year. All current year revenues and expenses are included regardless of when cash is received or paid. An important purpose of the design of the statement of activities is to show the financial reliance of the District's distinct activities or functions on revenues provided by the District's taxpayers.

Currently, the District has only governmental activities that provide for personnel services, medical supplies, repairs and maintenance, occupancy expenses, and other costs related to the proper administration of the District's ambulance services. Ambulance fees and ad valorem (property) taxes finance these activities. The government-wide financial statements are presented in the last column of the basic financial statements in this report.

NOTES TO THE BASIC FINANCIAL STATEMENTS

The accompanying notes to the financial statements provide additional information essential to a full understanding of the data provided in the government-wide and fund financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's budget presentations. A budgetary comparison statement is included as "required supplementary information" for the general fund. This statement is a required schedule demonstrating compliance with the adopted and final revised budget. Pension schedules required by GASB 68 are also included.

OTHER SUPPLEMENTARY INFORMATION

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Position

As noted earlier, net position may serve over time as a useful indicator of the District's financial position. The District's total net position changed from a year ago, increasing from \$20,012,225 to \$22,171,794.

The following table provides as a summary of the District's net position at:

	<u>June 30, 2024</u>	<u>June 30, 2023</u>	<u>% Change</u>
Assets			
Current assets	\$ 14,802,789	\$ 11,772,321	25.74%
Capital assets	<u>8,466,182</u>	<u>9,004,073</u>	-5.97%
Total assets	<u>23,268,971</u>	<u>20,776,394</u>	12.00%
Deferred outflows of resources	<u>1,043,674</u>	<u>2,042,344</u>	-48.90%
Liabilities			
Current liabilities	517,748	491,862	5.26%
Non-current liabilities	<u>1,060,912</u>	<u>1,739,536</u>	-39.01%
Total liabilities	<u>1,578,660</u>	<u>2,231,398</u>	-29.25%
Deferred inflows of resources	<u>562,191</u>	<u>575,115</u>	-2.25%
Net position			
Net investment in capital assets	8,384,009	8,920,768	-6.02%
Unrestricted	<u>13,787,785</u>	<u>11,091,457</u>	24.31%
Total net position	<u>\$ 22,171,794</u>	<u>\$ 20,012,225</u>	10.79%

\$408,748 (38.53%) of the total non-current liabilities reported at June 30, 2024, represent the net pension liability of the District compared to \$1,656,231 (95.21%) during the prior year. The District adopted GASB 101 during the year concerning the reporting of compensated absences balances. This resulted in the recognition of a non-current compensated absences liability of \$569,991 at June 30, 2024.

A portion of the District's net position, \$8,384,009 (37.81%) reflects its net investment in capital assets such as ambulances, buildings, medical and communication equipment, and software and right-of-use assets less depreciation, amortization and any debt associated therewith. The District uses these capital assets and right-of-use assets to provide the services to the citizens of the parish; consequently, these assets are not available for future spending. There is \$82,173 in outstanding debt (lease obligations) related to these assets.

The remaining and largest portion of the District's net position \$13,787,785 (62.19%) at June 30, 2024, is unrestricted and may be used to meet the District's ongoing obligations to citizens and creditors at the discretion of the Board of Commissioners. These unrestricted assets consists primarily of cash, demand and time deposits, and ambulance service and ad valorem taxes receivable.

The following table provides a summary of the District's changes in net position for the years ending June 30,

	<u>Governmental Activities</u>		
	<u>2024</u>	<u>2023</u>	<u>% Change</u>
Revenues			
Program revenues			
Charges for services	\$ 3,098,179	\$ 2,212,017	40.06%
Operating grants	<u>388,543</u>	<u>1,040,767</u>	-62.67%
General revenues			
Ad valorem taxes	6,415,508	5,042,072	27.24%
Other general revenues	<u>832,092</u>	<u>175,801</u>	373.31%
Total revenues	<u>10,734,322</u>	<u>8,470,657</u>	26.72%
Expenses			
Public Safety-EMS	<u>8,574,753</u>	<u>8,329,880</u>	2.94%
Total expenses	<u>8,574,753</u>	<u>8,329,880</u>	2.94%
Increases in net position	2,159,569	140,777	1434.04%
Net Position Beginning	<u>20,012,225</u>	<u>19,871,448</u>	0.71%
Net Position Ending	<u>\$ 22,171,794</u>	<u>\$ 20,012,225</u>	10.79%

The District is heavily reliant on ad valorem (property) taxes to support its operations. Property taxes provided 59.77% of the total revenues in the year ended June 30, 2024. Ad valorem taxes increased \$1,373,436.

Charges for services are for reimbursements from insurance companies; primarily Medicare and Medicaid. The ambulance service is provided at no out-of-pocket cost to parish residents. Charges for services provided 28.86% of the total revenue for the current year and 26.11% of the total revenue for the prior year. These charges increased \$886,162 (40.06%) from \$2,212,017 for the year ended June 30, 2023, to \$3,098,179 for the year ended June 30, 2024.

GOVERNMENTAL FUND ANALYSIS

As the District completed the year, its general fund reported a fund balance of \$14,081,311, which is a 24.87% increase over last year's fund balance of \$11,276,991. Expenditures decreased 4.12% from \$8,259,410 for the year ended 2023 to \$7,919,318 for 2024.

BUDGETARY HIGHLIGHTS

The District adopted a budget for its General Fund for the year ended June 30, 2024. The budget was not amended during the year. The District's budgetary comparison is presented as required supplemental information. Highlights for the year are as follows:

- Actual revenues received were more than the budgeted amounts by \$4,344,438 (68.10%) primarily due to a higher amount of ambulance service charges and ad valorem taxes received than anticipated.
- Actual expenditures were more than budgeted amounts by \$333,118 (4.39%).

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of June 30, 2024, the DeSoto Parish Ambulance Service District had invested \$8,466,182 in capital assets as follows:

Capital Assets at Year End (Net of Depreciation)

	Governmental Activities		% Change
	2024	2023	
Ambulances and vehicles	\$ 984,264	\$ 1,211,668	-18.77%
Building and Land	6,955,171	7,170,302	-3.00%
Furniture, fixtures, and other equipment	130,354	150,011	-13.10%
Medical & communication equipment	318,438	383,771	-17.02%
Right-of-use assets	77,955	88,321	-11.74%
Total	\$ 8,466,182	\$ 9,004,073	

The District acquired one new truck, medical equipment, a pressure washer and medical refrigerator. More detailed information about the capital assets is presented in Note 4 to the financial statements.

Debt

Debt activity for the year was as follows:

	Compensated Absences	Pension Liability	Lease Liability
Debt at July 1, 2023	\$ 107,570	\$ 1,656,231	\$ 83,305
Additions	462,421	-	-
Deductions	-	(1,247,483)	(1,132)
Debt at June 30, 2024	\$ 569,991	\$ 408,748	\$ 82,173

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

The DeSoto Parish Ambulance Service District's management considered many factors when setting the fiscal year ending June 30, 2025, budget. Revenue amounts available for appropriation in the governmental funds are expected to be consistent with last year unless there is some unforeseen change in the local economy.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens and taxpayers with a general overview of the finances for those funds maintained by the DeSoto Parish Ambulance Service District and to show the DeSoto Parish Ambulance Service District's accountability for the money it receives. If there are any questions about this report or additional financial information is needed, contact the Administrator, Joe Magee, at 231 EMS Circle, Mansfield, Louisiana, 71052.

BASIC FINANCIAL STATEMENTS

DESOTO PARISH AMBULANCE SERVICE DISTRICT
d/b/a DeSoto EMS

GOVERNMENTAL FUND BALANCE SHEET / STATEMENT OF NET POSITION

June 30, 2024

	Governmental Funds Financial Statements		Government-wide Statements
	Balance Sheet		Statement of
	General Fund	Adjustments	Net Position
ASSETS			
Cash and cash equivalents	\$ 2,388,556	\$ -	\$ 2,388,556
Investments	10,836,776	-	10,836,776
Ambulance service receivables, net	1,331,405	-	1,331,405
Ad valorem taxes receivable	3,150	-	3,150
Accrued interest receivable	117,379	-	117,379
Prepaid assets	125,523	-	125,523
Capital assets, net	-	8,466,182	8,466,182
Total Assets	\$ 14,802,789	8,466,182	23,268,971
DEFERRED OUTFLOWS OF RESOURCES			
Pension related		1,043,674	1,043,674
LIABILITIES			
Accounts, salaries and other payables	\$ 517,748	-	517,748
Non-current liabilities due within one year:			
Uncompensated absences	201,110	-	201,110
Lease obligation	-	15,237	15,237
Non-current liabilities due in more than one year:			
Uncompensated absences	-	368,881	368,881
Lease obligation	-	66,936	66,936
Net pension liability	-	408,748	408,748
Total Liabilities	718,858	859,802	1,578,660
DEFERRED INFLOWS OF RESOURCES			
Unavailable ad valorem taxes	2,620	(2,620)	-
Deferred lease income	-	380,578	380,578
Pension related	-	181,613	181,613
Total Deferred Inflows of Resources	2,620	559,571	562,191
FUND BALANCE / NET POSITION			
Fund Balance:			
Nonspendable:			
Prepaid expenses	125,523	(125,523)	-
Unassigned	13,955,788	(13,955,788)	-
Total Fund Balance	14,081,311	(14,081,311)	-
Total	\$ 14,802,789	-	
Net Position:			
Net investment in capital assets		8,384,009	8,384,009
Unrestricted		13,787,785	13,787,785
Total Net Position		\$ -	\$ 22,171,794

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

DESOTO PARISH AMBULANCE SERVICE DISTRICT
d/b/a DeSoto EMS

**RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET TO
THE GOVERNMENT- WIDE STATEMENT OF NET POSITION**

June 30, 2024

Total Fund Balance, Governmental Fund	\$ 14,081,311
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in governmental funds.	
Cost of capital assets	\$ 14,719,891
Less accumulated depreciation and amortization	<u>(6,253,709)</u> 8,466,182
Certain deferred outflows are reported in the Statement of Net Position but not in the governmental funds.	
Deferred outflows-pension related	1,043,674
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.	
	2,620
Deferred lease income is reported as deferred inflows of resources in the government-wide statement, but is reflected as income in the governmental funds	
	(380,578)
Non-current liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds	
Compensated absences	(368,881)
Lease obligation	(82,173)
Net Pension liability	(408,748)
Deferred inflows-pension related	(181,613)
Net Position of Governmental Activities in the Statement of Net Position	\$ <u>22,171,794</u>

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

DESOTO PARISH AMBULANCE SERVICE DISTRICT
d/b/a DeSoto EMS
STATEMENT OF GOVERNMENTAL FUND REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE / STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2024

	Governmental Fund Financial Statements		Government-wide Statements
	Statement of Revenues, Expenditures, and Changes in Fund Balance		Statement of Activities
EXPENDITURES / EXPENSES	General Fund	Adjustments	
Public Safety:			
Personal services & related benefits	\$ 5,093,380	\$ 118,676	\$ 5,212,056
Operations	1,022,457	-	1,022,457
Occupancy	875,186	-	875,186
Administrative	807,609	-	807,609
Depreciation and amortization	-	657,328	657,328
Capital outlay	119,437	(119,437)	-
Debt service:			
Lease principal	1,132	(1,132)	-
Interest (see note 4)	117	-	117
TOTAL EXPENDITURES / EXPENSES	7,919,318	655,435	8,574,753
PROGRAM REVENUES			
Charges for services	3,086,647	11,532	3,098,179
Operating grants and contributions	388,543	-	388,543
TOTAL PROGRAM REVENUES	3,475,190	11,532.0	3,486,722
NET PROGRAM EXPENSE	(4,444,128)	(643,903)	(5,088,031)
GENERAL REVENUES			
Ad valorem taxes	6,416,356	(848)	6,415,508
Interest earnings	500,473	-	500,473
Reimbursement revenue	292,825	-	292,825
Other revenue	38,794	-	38,794
TOTAL GENERAL REVENUES	7,248,448	(848)	7,247,600
Excess (Deficiency) of Revenues over Expenditures / Change in Net Position	2,804,320	(644,751)	2,159,569
FUND BALANCE / NET POSITION			
Beginning of the year	11,276,991		20,012,225
End of the year	\$ 14,081,311		\$ 22,171,794

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

DESOTO PARISH AMBULANCE SERVICE DISTRICT
d/b/a DeSoto EMS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2024

Amounts reported for governmental activities in the Statement of Activities are different because:

Net Change in Fund Balance, Governmental Fund	\$	2,804,320
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Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation and amortization expense.

Capital outlay	\$	119,437	
Depreciation and amortization expense		<u>(657,328)</u>	(537,891)

Revenue in the Statement of Activities that does not provide current financial resources are not reported as revenues in the funds.

Change in unavailable ad valorem taxes			(848)
Deferred lease income			11,532

The issuance of long-term debt provides current financial resources of governmental funds the payments reduce long-term liabilities in the Statement of Net Position.

Principal payments on long-term lease		1,132
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In the Statement of Activities pension benefits are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid).

Accrued compensated absences expense	\$	(368,881)	
Non-employer contributions to cost-sharing pension plan		42,453	
Pension (expense) benefit		<u>207,752</u>	(118,676)

Change in Net Position of Governmental Activities	\$	<u><u>2,159,569</u></u>
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The accompanying notes are an integral part of this statement. See independent auditor's report.

NOTES TO THE FINANCIAL STATEMENTS

THE DESOTO PARISH AMBULANCE SERVICE DISTRICT
d/b/a DeSoto EMS
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

INTRODUCTION

The DeSoto Parish Ambulance Service District (the District) was created by a parish resolution on July 12, 2000. The District is comprised of all the territory located within the Parish of DeSoto. The District does business as DeSoto EMS. The District is governed by a Board of Commissioners who are appointed by the DeSoto Parish Police Jury. The Board of Commissioners received no compensation during 2023-2024. The purpose of the District is to provide ambulance service for the transportation of persons which necessitate ambulance care and for providing related services. The District averages approximately fifty employees.

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 (GAAP) in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB reporting standards and the *Louisiana Governmental Audit Guide*.

The more significant accounting policies established in GAAP and used by the District are discussed below.

A. Reporting Entity

GASB Statement No. 14 established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the District is considered a component unit of the DeSoto Parish Police Jury. The Police Jury is financially accountable for the District because it appoints or ratifies a voting majority of the board and has the ability to impose its will on them.

The accompanying financial statements present information only on the funds maintained by the District and do not present information on the Police Jury, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

B. Measurement Focus / 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. Ad valorem taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Amounts reported as program revenues include: (1) ambulance fees billed to insurance companies and individuals; 2) operating grants and contributions; 3) capital grants and contributions; 4) Lease or rent income. General revenues include all ad valorem taxes, investment earnings and other miscellaneous items. Gains on the sale of capital assets are reported as general revenues, losses on the sale of capital assets are reported as program expenses.

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 capital leases 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 DESOTO PARISH AMBULANCE SERVICE DISTRICT
d/b/a DeSoto EMS
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

1. Summary of Significant Accounting Policies (continued)

B. Measurement Focus / Basis of Accounting (continued)

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 in the middle column of the financial statements to show the conversion from the fund level statements into the government-wide presentations.

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. Management reserves the right to selectively spend unassigned resources first to defer the use of these other classified funds.

The District's basic financial statements include both government-wide (reporting the funds maintained by the District as a whole) reported in the last column of the financial statements and fund financial statements (reporting the District's major fund the general fund) reported in the first column of the financial statements. Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. The District's general fund is classified as a governmental activity. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The District does not report any business-type activities.

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 and can be found in the last column of the financial statements. 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. Items not properly included among program revenues are reported instead as general revenues.

Fund Financial Statements

Fund financial statements are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues, and expenditures. The District only has one fund category: governmental. The District does not have any proprietary or fiduciary funds. An emphasis is placed on major funds within the governmental category. The District only has one fund, the general fund. A fund is considered a major fund if it is the primary operating fund of the entity. The general fund is the only major fund of the District and is used to account for and report all financial resources of the District.

Governmental fund financial statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for the major fund and can be found in the first column of the financial statements. A reconciliation is presented in the middle column of the financial statements to show the differences in fund balances and changes in fund balances as presented in these statements to the net position and changes in net position presented in the government-wide financial statements.

C. Cash, Cash Equivalents, and Investments

Cash includes amounts in interest-bearing demand deposits, and short-term timed deposits. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the District may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the U.S. or under the laws of the U.S.

THE DESOTO PARISH AMBULANCE SERVICE DISTRICT
d/b/a DeSoto EMS
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

1. Summary of Significant Accounting Policies (continued)

C. Cash, Cash Equivalents, and Investments (continued)

Investments are limited by Louisiana Revised Statute (R.S.) 33:2955. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents. Investments are carried at cost which approximates fair value.

D. Prepaid Items

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

E. Capital Assets

Capital assets which include property, plant, equipment, and right-of-use leased assets are reported in the governmental activities column in the government-wide financial statements. Under GASB 87, the District recognizes all leases over one year in term, with a present value of future lease payments exceeding \$5,000 as right-of-use assets. For recognized right-of-use asset leases, the present value of the future lease payments are amortized over the term of the leases. All other capital assets are capitalized at historical cost, with a threshold of \$3,000 or more in historical costs to be capitalized. Contributed assets are reported at fair market value as of the date received. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Buildings	25 - 40 years
Ambulances	5 - 7 years
Equipment	5 - 10 years

Depreciation and amortization of all recognized capital assets is reported as an expense in the statement of activities, with accumulated depreciation and amortization reflected in the statement of net position. Assets reported in the fund financial statements for governmental funds exclude capital assets. The governmental funds financial statements report the acquisition of capital assets as expenditures.

F. Compensated Absences

The District's recognition and measurement criteria for compensated absences follows GASB statement no. 101 which was adopted during the year. The District recognizes a liability for compensated absences for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means.

The District offers vacation leave to full-time employees in a two tiered system based on employee type. The vacation time granted is based on a calendar year and the employee's length of service. There is no carryover of vacation time from one calendar year to the next. Any vacation leave not used during the calendar year is paid out to employees at year end. Sick leave will accumulate for full-time employees at a rate of 4 hours per pay period to be used after one year of service. There is not a cap for rolling over sick leave but it is forfeited upon separation of employment. The following are the two vacation leave tiers and the associated levels of leave earned by employees based on length of service:

Paramedics Advanced EMT's	New Hires 120 paid hours (24 hours each) = 5 shifts
	After 2 years 192 paid hours (24 hours each) = 8 shifts
	After 3 years 288 paid hours (24 hours each) = 12 shifts
	After 10 years 336 paid hours (24 hours each) = 14 shifts
Office	New Hires 56 paid hours (8 hours each) = 7 shifts
	After 2 years 96 paid hours (8 hours each) = 12 shifts
	After 5 years 136 paid hours (8 hours each) = 17 shifts
	After 10 years 176 paid hours (8 hours each) = 22 shifts
	Administrator 320 paid hours (8 hours each) = 40 shifts

THE DESOTO PARISH AMBULANCE SERVICE DISTRICT
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NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

1. Summary of Significant Accounting Policies (continued)

G. Unavailable Ad Valorem Taxes

Under the modified accrual basis of accounting, the District's governmental funds will not recognize revenue until they are available (collected not later than 60 days after the District's year-end). Accordingly, ad valorem taxes assessed, yet paid under protest, are reported as unavailable revenues in the governmental funds balance sheet only.

H. Risk Management

The District is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets, errors and omissions, and injuries to employees. To handle such risks of loss, the District maintains commercial insurance policies covering: automobile liability, medical payments, uninsured motorist and collision, health insurance providing 100 percent coverage for any employee injured while on the job; and surety bond coverage. No claims were paid on any of the policies during the past three years that exceeded the policies' coverage amounts. In addition to the above policies, the District also maintains a liability insurance policy with the Louisiana Ambulance Service Districts' Risk Management Program. No claims have been paid on the policy during the past three years nor is the District aware of any unfiled claims.

I. Fund Equity

NET POSITION

In the government-wide financial statements equity (the difference between assets and liabilities) is classified as net position and is reported in three components:

- *Net investment in capital assets*—consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- *Restricted net position*—consists of net position with constraints placed on the use by a) external groups, such as creditors, grantors, or laws or regulations of other government; or b) law through constitutional provisions or enabling legislation.
- *Unrestricted net position*—consists of all other assets that do not meet the definition of "restricted" or "net investment in capital assets".

FUND BALANCES

As required by GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, this statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balances more transparent. The following classifications describe the relative strength of the spending constraints:

- *Nonspendable* – Amounts that are not in spendable form (such as prepaid expenses) because they are legally or contractually required to be maintained intact.
- *Restricted* – Amounts constrained to specific purposes by their providers (such as grantors or higher levels of government).
- *Committed* – Amounts which are subject to limitations or constraints to specific purposes the Ambulance District imposes upon itself at its highest level of decision making, the board of directors. These amounts cannot be used for any other purpose unless the Ambulance District takes the same highest level of action to remove or change the constraint.
- *Assigned* – Amounts neither restricted nor committed for which the Ambulance District intends to use for a specific purpose.
- *Unassigned* – Amounts that are available for any purpose.

J. Use of Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and reported revenues and expenses. Actual results could differ from those estimates.

THE DESOTO PARISH AMBULANCE SERVICE DISTRICT
d/b/a DeSoto EMS
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

1. Summary of Significant Accounting Policies (continued)

K. Pension Plans

The District is a participating employer in a cost-sharing, multiple-employer defined benefit pension plan as described in Note 6. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension benefit or expense, information about the fiduciary net position of each of the plans, and additions to / deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments have been reported at fair value within the plan.

L. Deferred Outflows/Inflows of Resources Related to Pensions

The Statement of Net Position reports a separate section for deferred outflows and (or) deferred inflows of financial resources. Deferred outflows of resources represent a consumption of net assets that applied to future periods and will not be recognized as an outflow of resources (expense/expenditure) until the applicable period. Deferred inflows of resources represent an acquisition of net assets that applied to future periods and will not be recognized as an inflow of resources until that time.

2. Cash, Cash Equivalents, and Investments

At June 30, 2024, the District has cash and cash equivalents (book balances) totaling \$2,388,556 in interest-bearing demand and short-term timed deposits. At June 30, 2024, the District has investment balances totaling \$10,836,776, which consist of certificate of deposit accounts with maturities greater than 90 days at acquisition.

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

Custodial Credit Risk: Custodial credit risk for deposits 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 or exceed 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 on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the District that the fiscal agent bank 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 June 30, 2024, the District has \$13,254,774 in collected bank balances. These deposits are secured from risk by \$5,733,580 of federal deposit insurance and pledged securities held by the custodial banks in the name of the fiscal agent banks with a total market value of \$14,779,250 (GASB Category 3).

Interest Rate Risk. This is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity is its fair value 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. However, as a means of offsetting exposure to interest rate risk, the District diversifies its investments by security type and institution.

3. Levied Taxes

The District was authorized an ad valorem tax millage of 7.0 mills and levied taxes of 7.0 mills for 2023. This tax is for the purpose of paying the cost of providing ambulance service in the parish. This tax began in 2009 and was renewed for another period of ten years beginning with the year 2019 and ending with the year 2028.

The property tax calendar is as follows:

Assessment date	January 1, 2023
Levy date	June 30, 2023
Tax bills mailed	October 15, 2023
Total taxes due	December 31, 2023
Penalties & interest added	January 31, 2024
Tax sale	May 15, 2024

THE DESOTO PARISH AMBULANCE SERVICE DISTRICT

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NOTES TO THE FINANCIAL STATEMENTS

June 30, 2024

3. Levied Taxes (continued)

A revaluation of all assessed property is required to be completed not less than every four years. The last revaluation was completed for the rolls of January 1, 2024. The total assessed value was \$963,526,333 in 2023. The adjusted ad valorem tax revenue recognized by the District was \$6,415,508.

Louisiana state law exempts the first \$75,000 of assessed value of a taxpayer's primary residence from parish property taxes. This homestead exemption represents \$46,816,572 in total assessed value and a reduction of \$327,716 in tax revenue to the District for the fiscal year ending June 30, 2024.

The Louisiana Industrial Ad Valorem Tax Exemption program (Louisiana Administrative Code, Title 13, Chapter 5) is a state incentive program which abates, up to ten years, local ad valorem taxes on a manufacturer's new investment and annual capitalized additions related to the manufacturing site. Applications to exempt qualified property for five years are approved by the Louisiana Economic Development's Board of Commerce and Industry. The exemption may be renewed for an additional five years. Under agreements entered into by the State of Louisiana, through the Louisiana Industrial Ad Valorem Tax Exemption program, the District's ad valorem tax revenues were reduced by \$115,407 for the fiscal year ending June 30, 2024.

The following are the principal taxpayers for the parish (2023 amounts):

Taxpayer	Type of business	2023 taxable valuation	2023 assessed tax	% of total assessed valuation
SWN PRODUCTION (LOUISIANA), LLC	Oil & Gas	\$104,138,229	\$728,968	11.36%
COMSTOCK OIL & GAS	Oil & Gas	\$102,488,151	\$717,417	11.18%
CHESAPEAKE OPERATING, INC	Oil & Gas	\$81,220,485	\$568,543	8.86%
INTERNATIONAL PAPER CO	Manufacturing	\$90,387,582	\$632,713	9.86%
EXCO OPERATING COMPANY	Oil & Gas	\$38,226,797	\$267,588	4.17%
ENTERPRISE GATHERING L.L.C.	Oil & Gas	\$32,634,867	\$228,444	3.56%
DTM LOUISIANA GAS GATHERING, LLC	Oil & Gas	\$29,701,396	\$207,910	3.24%
LOUISIANA MIDSTREAM GAS SVCS, LLC	Oil & Gas	\$24,659,493	\$172,616	2.69%
ACADIAN GAS PIPELINE SYSTEM	Oil & Gas	\$20,534,299	\$143,740	2.24%
GEP HAYNESVILLE II	Oil & Gas	\$18,150,853	\$127,056	1.98%
Total		<u>\$542,142,152</u>	<u>\$3,794,995</u>	<u>59.14%</u>

Ad valorem taxes receivable at June 30, 2024, is \$3,150.

4. Capital Assets and Right-of-Use Assets

Capital asset activity for the year ended June 30, 2024, was as follows:

	6/30/2023	Additions	Reclass/ Deductions	6/30/2024
Capital assets, not depreciated				
Land	\$ 446,990	\$ -	\$ -	\$ 446,990
Total capital assets, not depreciated	<u>446,990</u>	<u>-</u>	<u>-</u>	<u>446,990</u>
Capital assets being depreciated or amortized				
Ambulances & vehicles	3,612,896	57,328	(183,720)	3,486,504
Buildings	8,383,402	-	-	8,383,402
Furniture, fixtures, and other equipment	351,992	9,825	-	361,817
Medical & communication equipment	1,901,708	52,284	(9,400)	1,944,592
Right-of-use assets	96,586	-	-	96,586
Total capital assets being depreciated or amortized	<u>14,346,584</u>	<u>119,437</u>	<u>(193,120)</u>	<u>14,272,901</u>
Less accumulated depreciation and amortization				
Ambulances & vehicles	2,401,228	284,732	(183,720)	2,502,240
Buildings	1,660,090	215,131	-	1,875,221
Furniture, fixtures, and other equipment	201,981	29,482	-	231,463
Medical & communication equipment	1,517,937	117,617	(9,400)	1,626,154
Right-of-use assets	8,265	10,366	-	18,631
Total accumulated depreciation and amortization	<u>5,789,501</u>	<u>657,328</u>	<u>(193,120)</u>	<u>6,253,709</u>
Total capital assets, net	<u>\$ 9,004,073</u>	<u>\$ (537,891)</u>	<u>\$ -</u>	<u>\$ 8,466,182</u>

THE DESOTO PARISH AMBULANCE SERVICE DISTRICT
d/b/a DeSoto EMS
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

4. Capital Assets and Right-of-Use Assets (continued)

Depreciation and amortization expense for the year ended June 30, 2024, was \$657,328.

The District has the following right-of-use asset leases:

A copier lease effective May 3, 2022, between Canon Financial Services, Inc., as Lessor, and the District, as Lessee, for a term of forty-nine months with a monthly payment of \$104.09.

A building lease for vehicle maintenance purposes effective October 1, 2022, between DeSoto Parish Protection Fire District No 2, as Lessor and the District, as Lessee, for a term of ten years with an annual payment of \$12,000. The \$12,000 payment was not made during the year.

The future minimum lease payments and interest required under these leases are as follows:

Year ending June 30,	Principal	Interest	Total
2025 \$	15,237 \$	10,012 \$	25,249
2026	8,844	4,301	13,145
2027	8,224	3,776	12,000
2028	8,758	3,241	11,999
2029	9,328	2,672	12,000
2030	9,934	2,066	12,000
2031	10,580	1,420	12,000
2032	11,268	733	12,001
Totals	\$ 82,173	\$ 28,221	\$ 110,394

5. Net Ambulance Service Charges/Receivables

The receivable consists of \$638,948 due from insurance and Medicare/Medicaid for ambulance services provided.

Ambulance service charge receivable	\$ 4,317,713
Allowance for doubtful accounts	(2,986,308)
Net ambulance service charges receivable	\$ 1,331,405

The insurance companies only pay a percentage of the billings and the unpaid balance is recorded as contractual adjustments. Write-offs consist of DeSoto Parish private pay not required to pay for services and out-of-parish residents who have been identified as nonpaying. Accounts receivable activity for the year ending June 30, 2024:

Ambulance service charges and fees	\$ 5,150,808
Less contractual adjustments	(1,580,180)
Less exempt parish residents charges	(478,870)
Less write offs to bad debt expense	(5,111)
Net ambulance service charges and fees	\$ 3,086,647

6. Pension Plan

Plan description. Full-time employees (approximately 39) of the District are members of the Parochial Employees Retirement System of Louisiana (System), a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees. The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All employees of the District are members of Plan A. Plan A was designated for employers out of Social Security.

Eligibility Requirements: All permanent employees working at least 28 hours per week are eligible to participate in the System on the date of employment. New employees meeting the age and Social Security criteria have up to 90 days from the date of hire to elect to participate. As of January 1997, elected officials, except coroners, justices of the peace, and parish presidents may no longer join the System.

Retirement Benefits: The following is a description of the plan and its benefits and is provided for general information purposes only. Participants should refer to the appropriate statutes for more complete information.

THE DESOTO PARISH AMBULANCE SERVICE DISTRICT
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NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

6. Pension Plan (continued)

Any member of Plan A can retire providing he/she meets one of the following criteria:

For employees hired prior to January 1, 2007:

1. Any age with thirty (30) or more years of creditable service
2. Age 55 with twenty-five (25) years of creditable service
3. Age 60 with a minimum of ten (10) years of creditable service.
4. Age 65 with a minimum of seven (7) years of creditable service.

For employees hired after January 1, 2007:

1. Age 55 with 30 years of service
2. Age 62 with 10 years of service
3. Age 67 with 7 years of service

Generally, the monthly amount of the retirement allowance of any member of Plan A shall consist of an amount equal to 3% of the member's final average compensation multiplied by his/her years of creditable service. However, under certain conditions, as outlined in the statutes, the benefits are limited to specified amounts.

Survivor Benefits: Upon the death of any member of Plan A with 5 or more years of creditable service who is not eligible for retirement, the plan provides for benefits for the surviving spouse and minor children, as outlined in the statutes. Any member of Plan A, who is eligible for normal retirement at time of death, the surviving spouse shall receive an automatic Option 2 benefit, as outlined in the statutes.

A surviving spouse who is not eligible for Social Security survivorship or retirement benefits, and married not less than twelve (12) months immediately preceding death of the member, shall be paid an Option 2 benefit beginning at age 50.

Deferred Retirement Option Plan: Act 338 of 1990 established the Deferred Retirement Option Plan (DROP) for the System. DROP is an option for that member who is eligible for normal retirement. In lieu of terminating employment and accepting a service retirement, any member of Plan A who is eligible to retire may elect to participate in the Deferred Retirement Option Plan (DROP) in which they are enrolled for three years and defer the receipt of benefits. During participation in the plan, employer contributions are payable but employee contributions cease. The monthly retirement benefits that would be payable, had the person elected to cease employment and receive a service retirement allowance, are paid into the DROP Fund.

Upon termination of employment prior to or at the end of the specified period of participation, a participant in the DROP may receive, at his option, a lump sum from the account equal to the payments into the account, a true annuity based upon his account balance in that fund, or roll over the fund to an Individual Retirement Account.

Interest is accrued on the DROP benefits for the period between the end of DROP participation and the member's retirement date.

For those eligible to enter DROP prior to January 1, 2004, all amounts which remain credited to the individual's subaccount after termination in DROP will be placed in liquid asset money market investments at the discretion of the board of trustees. These subaccounts may be credited with interest based on money market rates of return or, at the option of the System, the funds may be credited to self-directed subaccounts. The participant in the self-directed portion of DROP must agree that the benefits payable to the participant are not the obligations of the state or the System, and that any return and other rights of DROP are the sole liability and responsibility of the participant and the designated provider to which contributions have been made.

Disability Benefits: A member shall be eligible to retire and receive a disability benefit if they were hired prior to January 1, 2007, and has at least five years of creditable service or if hired after January 1, 2007, has seven years of creditable service, and is not eligible for normal retirement and has been officially certified as disabled by the State Medical Disability Board. Upon retirement caused by disability, a member of Plan A shall be paid a disability benefit equal to the lesser of an amount equal to 3% of the member's final average compensation multiplied by his years of service, not to be less than 15, or three percent multiplied by years of service assuming continued service to age 60 for those members who are enrolled prior to January 1, 2007 and to age 62 for those members who are enrolled January 1, 2007 and later.

THE DESOTO PARISH AMBULANCE SERVICE DISTRICT
d/b/a DeSoto EMS
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

6. Pension Plan (continued)

Cost of Living Increases: The Board is authorized to provide a cost of living allowance for those retirees who retired prior to July 1973. The adjustment cannot exceed 2% of the retiree's original benefit for each full calendar year since retirement and may only be granted if sufficient funds are available from investment income in excess of normal requirements.

In addition, the Board may provide an additional cost of living increase to all retirees and beneficiaries who are over age 65 equal to 2% of the member's benefit paid on the member's retirement date. Also, the Board may provide a cost of living increase up to 2.5% for retirees 62 and older. Lastly, ACT 270 of 2009 provided for further reduced actuarial payments to provide a cost of living increase up to 2.5% cost of living adjustment commencing at age 55.

Contributions

As provided by R.S. 11:103, the employer contributions are actuarially determined each year. For the year ended December 31, 2023, the actuarially determined contribution rate was 7.49% of member's compensation for Plan A. However, the actual rate for the fiscal year ending December 31, 2023, was 11.50%.

According to state statute, the System also receives 1/4th of 1.0% of ad valorem taxes collected with the respective parishes. The System also receives revenue sharing funds each year as appropriated by the legislature. Tax monies and revenue sharing monies are apportioned between Plan A and Plan B in proportion to the member's compensation. These additional sources of income are used as additional employer contributions and are considered support from non-employer contributing entities.

The contribution requirements of plan members and the District are established and may be amended by state statute. The District was accepted into the Plan on January 1, 2003. The District's contributions for the years ending June 30, 2024, 2023, and 2022 were \$374,687, \$334,915, and \$358,970 respectively, equal to the required contributions for each year.

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

At June 30, 2024, the District reported a net pension liability of \$408,748 for its proportionate share of the net pension liability of the Plan. The net pension liability was measured as of December 31, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. The historical employer contributions are used to determine the proportionate relationship of each employer to all employers of the Parochial Employees' Retirement System of Louisiana. The employer's proportion was determined on a basis that is consistent with the manner in which contributions to the pension plan are determined. The resulting allocation percentages were used in calculating each employer's proportionate share of the pension amounts.

The allocation method used in determining each employer's proportion was based on each employer's contributions to the plan during the fiscal year ended December 31, 2023, as compared to the total of all employers' contributions received by the plan during the fiscal year ended December 31, 2023.

At December 31, 2023, the District's proportion was 0.429032% which was a decrease of 0.001293% from the proportion measured as of December 31, 2022.

For the year ended June 30, 2024, the District recognized a pension benefit of \$207,572, representing its proportionate share of the Plan's net benefit, including amortization of deferred amounts.

THE DESOTO PARISH AMBULANCE SERVICE DISTRICT
d/b/a DeSoto EMS
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

6. Pension Plan (continued)

At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows	Deferred Inflows
Differences between expected and actual experience	\$ 193,555	\$ 109,716
Changes in Assumptions	-	71,212
Net Difference between projected and actual earnings on pension plan	658,757	-
Changes in employer's proportion of beg NPL	54	-
Differences between employer and proportionate share of contributions	4,196	685
Subsequent Measurement Contributions	187,112	-
Total	<u>\$ 1,043,674</u>	<u>\$ 181,613</u>

The District reported a total of \$187,112 as deferred outflow of resources related to pension contributions made subsequent to the measurement period of December 31, 2023, which will be recognized as a reduction in net pension liability in the retirement fund year ended December 31, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

June 30,	
2024	57,781
2025	330,558
2026	554,372
2027	(267,762)
2028	-
	<u>\$ 674,949</u>

Actuarial Methods: The net pension liability was measured as the portion of the present value of projected benefit payments to be provided through the pension plan to current active and inactive employees that is attributed to those employees past periods of service less the amount of the pension plan's fiduciary net position. The components of the net pension liability of the System's employers as of December 31, 2023, are as follows:

Total Pension Liability	\$ 20,798,698
Plan Fiduciary Net Position	<u>20,389,950</u>
Total Net Pension Liability	<u>\$ 408,748</u>

A summary of the actuarial methods and assumptions used in determining the total pension liability as of December 31, 2023, is as follows:

Valuation date	December 31, 2023
Actuarial cost method	Entry Age Normal
Investment rate of return	6.40%, net of investment expense, including inflation
Expected remaining service lives	4 years
Projected salary increases	4.75%
Inflation Rate	2.30%
Mortality	Pub-2010 Public Retirement Plans Mortality Table for Health Retirees multiplied by 130% for males and 125% for females using MP2018 scale for annuitant and beneficiary mortality. For employees, the Pub-2010 Public Retirement Plans Mortality Table for General Employees multiplied by 130% for males and 125% for females using MP2018 scale. Pub-2010 Retirement Plans Mortality Table for General Disabled Retirees multiplied by 130% for males and 125% for females using MP2018 scale for disabled annuitants.

THE DESOTO PARISH AMBULANCE SERVICE DISTRICT
d/b/a DeSoto EMS
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

6. Pension Plan (continued)

Cost of Living Adjustments

The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The present values do not include provisions for potential future increase not yet authorized by the Board of Trustees.

Discount Rate. The discount rate used to measure the total pension liability was 6.40 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers and non-employer contributing entities will be made at the actuarially determined contribution rates, which are calculated in accordance with relevant statutes and approved by the Board of Trustees and the Public Retirement Systems' Actuarial Committee. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The long-term expected rate of return on pension plan investments was determined using a triangulation method which integrated the CAPM pricing model, a treasury yield curve approach and an equity building-block model. Risk return and correlations are projected on a forward looking basis in equilibrium, in which best estimates of expected future real rates of return are developed for each major asset class. These rates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.40% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return is 7.50% for the year ended December 31, 2023.

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Asset Allocation	Long-Term Expected Real Rate of Return
Fixed Income	33%	1.12%
Equity	51%	3.20%
Alternatives	14%	0.67%
Real assets	2%	0.11%
Total	100%	5.10%
Inflation		2.40%
Expected Arithmetic Nominal Return		7.50%

The mortality rate assumption used was set based upon an experience study performed on plan data for the period January 1, 2018, through December 31, 2022. The data was assigned credibility weighting and combined with a standard table to produce current levels of mortality.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the net pension liability/(asset) of the District calculated using the discount rate of 6.40 percent, as well as what the District's net pension liability/asset would be if it were calculated using a discount rate that is one percentage point lower (5.40 percent) or one percentage point higher (7.40 percent) than the current rate:

	1% Decrease 5.40%	Current Discount Rate 6.40%	1% Increase 7.40%
Net pension liability (asset) \$	2,916,493	\$ 408,748	\$ (1,696,254)

THE DESOTO PARISH AMBULANCE SERVICE DISTRICT
d/b/a DeSoto EMS
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

6. Pension Plan (continued)

Plan Fiduciary Net Position. The changes in the net pension liability for the year ended December 31, 2023, were recognized in the current reporting period as pension expense except as follows:

Differences between Expected and Actual Experience

Differences between expected and actual experience with regard to economic or demographic factors in the measurement of the total pension liability were recognized in pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan. The difference between expected and actual experience resulted in a deferred outflow of resources of \$193,555 and a deferred inflow of resources of \$109,716 as of December 31, 2023.

Differences between Projected and Actual Investment Earnings:

Differences between projected and actual investment earnings on pension plan investments were recognized in pension expense using the straight-line amortization method over a closed five-year period. The difference between projected and actual investment earnings resulted in a deferred outflow of resources of \$658,757 as of December 31, 2023.

Changes of Assumptions:

The changes of assumptions about future economic or demographic factors were recognized in pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan. Changes of assumptions or other inputs resulted in a deferred inflow of resources of \$71,212 as of December 31, 2023.

Change in Proportion:

Changes in the employers' proportionate shares of the collective net pension liability and collective deferred outflows of resources and deferred inflows of resources since the prior measurement date were recognized in employer's pension expense(benefit) using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided pensions through the pension plan. Changes in employers portion of the beginning net pension liability resulted in a deferred outflow of resources of \$54 as of December 31, 2023.

Contributions—Proportionate Share: Differences between contributions remitted to the System and the employer's proportionate share are recognized in pension expense(benefit) using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with a pension through the pension plan. The resulting deferred inflow/outflow and amortization is not reflected in the schedule of employer amounts due to differences that could arise between contributions reported by the System and contributions reported by the participating employer.

Retirement System Audit Report: Parochial Employees' Retirement System of Louisiana issued a stand-alone audit report on its financial statements for the year ended December 31, 2023. Access to the audit report can be found on the System's website: www.persla.org or on the Office of Louisiana Legislative Auditor's official website: www.lla.state.la.us.

Estimates: The process of preparing the schedule of employer allocations and schedule of pension amounts in conformity with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues and expenses. Accordingly actual results may differ from estimated amounts.

7. Cooperative Endeavor Agreements

In November 2017, the Ambulance District entered into a Cooperative Endeavor Agreement with DeSoto Fire Protection District No. 8 to execute a lease for \$11,533 per year, until November 1, 2057, for two apparatus bays and two dormitories in Station 5 located in Pelican, Louisiana. The Fire District will reimburse half of all the utilities. The Ambulance District accepts responsibility for all insurance and repairs and maintenance. The Fire District prepaid the entire 40 years (\$461,306.34) lease payments at the inception of the lease in the year ended June 30, 2018. The Ambulance District recognized rental income of \$11,532 and deferred revenue of \$380,578 for the year ended June 30, 2024.

THE DESOTO PARISH AMBULANCE SERVICE DISTRICT
d/b/a DeSoto EMS
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

7. Cooperative Endeavor Agreements (continued)

On January 14, 2019, the Ambulance District entered into a Cooperative Endeavor Agreement with DeSoto Parish Sheriff's Office. The Sheriff's Office will provide the Ambulance District with adequate dispatching services for the sum of an annual \$275,000 to be paid quarterly during the year. The DeSoto Sheriff agreed to hire all the current full-time Ambulance District dispatchers at the time of the agreement and to employ a communications supervisor for those dispatching for the Ambulance District.

During the fiscal year the District entered into a Cooperative Endeavor Agreement with DeSoto Parish Fire District's 1 and 8 to provide vehicle maintenance services to the Fire Districts for the sum of \$12,500 per year. A similar arrangement was entered into with DeSoto Parish Fire District 5 for \$8,000 per year but no formalized CEA was executed.

8. Litigation and Claims

At June 30, 2024, the District was not involved in any litigation.

9. Contingent Liability

The District acknowledges that the Employee Retention Credit (ERC) claimed under the CARES Act is subject to review and audit by the Internal Revenue Service (IRS). In the event of an audit, the IRS may determine that the District is ineligible for the ERC, either in whole or in part. Should this occur, the District may be required to repay the disallowed amount, along with any applicable penalties and interest. The District has taken reasonable steps to ensure compliance with ERC eligibility requirements; however, there remains a risk of disallowance upon IRS review.

10. Compensation Paid Board Members

The Board members were not compensated during the year ended June 30, 2024.

11. Subsequent Events

Management has performed an evaluation of the Ambulance District's activities through December 30, 2024, and has concluded that there are no significant events requiring recognition or disclosure through that date and time these financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION (PART II)

DESOTO PARISH AMBULANCE SERVICE DISTRICT
d/b/a DeSoto EMS

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

For the Year Ended June 30, 2024

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for services	\$ 1,225,000	\$ 1,225,000	\$ 3,086,647	\$ 1,861,647
Grants and contributions	15,000	15,000	388,543	373,543
Ad valorem taxes	5,100,000	5,100,000	6,416,356	1,316,356
Interest earnings	30,200	30,200	500,473	470,273
Reimbursement revenue	5,000	5,000	292,825	287,825
Other revenue	4,000	4,000	38,794	34,794
Total Revenues	<u>6,379,200</u>	<u>6,379,200</u>	<u>10,723,638</u>	<u>4,344,438</u>
Expenditures				
Personal services & related benefits	5,351,500	5,351,500	5,093,380	258,120
Operations	1,069,000	1,069,000	1,023,706	45,294
Occupancy	783,000	783,000	875,186	(92,186)
Administrative	224,700	224,700	807,609	224,700
Capital outlay	158,000	158,000	119,437	38,563
Total Expenditures	<u>7,586,200</u>	<u>7,586,200</u>	<u>7,919,318</u>	<u>474,491</u>
Excess (deficiency) of revenues over expenditures	(1,207,000)	(1,207,000)	2,804,320	4,818,929
FUND BALANCE				
Beginning of the year	11,276,991	11,276,991	11,276,991	
End of the year	<u>\$ 10,069,991</u>	<u>\$ 10,069,991</u>	<u>\$ 14,081,311</u>	<u>\$ 4,818,929</u>

See independent auditor's report and accompanying notes to required supplementary information.

DESOTO PARISH AMBULANCE SERVICE DISTRICT
d/b/a DeSoto EMS

**SCHEDULE OF PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY
For the Year Ended June 30, 2024**

<u>Fiscal Year*</u>	<u>Agency's proportion of the net pension liability (asset)</u>	<u>Agency's proportionate share of the net pension liability (asset)</u>	<u>Agency's covered-employee payroll</u>	<u>Agency's proportionate share of the net pension liability (asset) as a % of its covered- employee payroll</u>	<u>Plan fiduciary net position as a % of the total pension liability</u>
Parochial Employees's Retirement System of Louisiana (Plan A)					
2014	0.254606%	\$ 69,611	\$ 1,466,493	4.75%	99.20%
2015	0.281127%	\$ 740,007	\$ 1,492,589	49.58%	92.20%
2016	0.314539%	\$ 647,797	\$ 1,865,395	34.73%	94.20%
2017	0.344185%	\$ (255,470)	\$ 2,118,522	-12.06%	102.00%
2018	0.394569%	\$ 1,751,239	\$ 2,536,400	69.04%	88.90%
2019	0.420925%	\$ 19,815	\$ 2,668,994	0.74%	99.90%
2020	0.427379%	\$ (749,372)	\$ 2,856,118	-26.24%	104.00%
2021	0.435954%	\$ (2,053,533)	\$ 2,924,965	-70.21%	110.50%
2022	0.430325%	\$ 1,656,231	\$ 2,922,906	56.66%	91.70%
2023	0.429032%	\$ 408,748	\$ 3,109,518	13.15%	98.00%

*Amounts presented were determined as of the pension measurement date December 31.

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

See independent auditor's report and accompanying notes to required supplementary information.

DESOTO PARISH AMBULANCE SERVICE DISTRICT
d/b/a DeSoto EMS

SCHEDULE OF PENSION CONTRIBUTIONS

For the Year Ended June 30, 2024

<u>Fiscal Year*</u>	<u>(a) Statutorily required contribution</u>	<u>(b) Contributions in relation to the statutorily required contribution</u>	<u>(a-b) Contribution deficiency (excess)</u>	<u>Agency's covered- employee payroll</u>	<u>Contributions as a % of covered- employee payroll</u>
Parochial Employees' Retirement System of Louisiana (Plan A)					
2015	\$ 335,883	\$ 335,883	\$ -	\$ 1,492,589	22.50%
2016	\$ 244,417	\$ 244,417	\$ -	\$ 1,539,887	15.87%
2017	\$ 247,276	\$ 247,276	\$ -	\$ 1,939,971	12.75%
2018	\$ 288,051	\$ 288,051	\$ -	\$ 2,406,144	11.97%
2019	\$ 297,240	\$ 297,240	\$ -	\$ 2,584,696	11.50%
2020	\$ 318,556	\$ 318,556	\$ -	\$ 2,683,049	11.87%
2021	\$ 356,418	\$ 356,418	\$ -	\$ 2,911,173	12.24%
2022	\$ 358,970	\$ 358,970	\$ -	\$ 3,021,316	11.88%
2023	\$ 334,915	\$ 334,915	\$ -	\$ 2,915,933	11.49%
2024	\$ 374,687	\$ 374,687	\$ -	\$ 3,258,143	11.50%

*Amounts presented were determined as of the end of the fiscal year (June 30).

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

See independent auditor's report and accompanying notes to required supplementary information.

DESOTO PARISH AMBULANCE SERVICE DISTRICT

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

As of and for the Year Ended June 30, 2024

Budgetary Information

The Ambulance District's budget is prepared in accordance with accounting principles generally accepted in the United States of America.

The Louisiana Local Government Budget Act provides that "the total proposed expenditures shall not exceed the total of estimated funds available for the ensuing year." The "total estimated funds available" is the sum of the respective estimated fund balances at the beginning of the year and the anticipated revenues for the current year.

Expenditures may not legally exceed appropriations at the fund level. Appropriations that are not expended lapse at year-end. The budget was not amended during the year. The budget comparison schedule presents the original adopted budget.

Actual revenues exceeded budgeted revenues by \$4,344,438 (68.10%). Actual expenditures exceeded budgeted expenditures by \$333,118 (4.39%). The Ambulance District is in compliance with the Louisiana Local Government Budget Act.

The District uses the following budget practices:

A budget for the ensuing year is prepared prior to June 30 of each year and is made available for public inspection at least fifteen days prior to the beginning of each fiscal year. The proposed budget is prepared on the modified accrual basis of accounting. The budget is established and controlled by the board of commissioners at the object level of expenditure. Appropriations lapse at year-end and must be reappropriated for the following year to be expended. All changes in the budget must be approved by the board of commissioners.

Pension Information

The schedule of the DeSoto Ambulance District's proportionate share of the net pension liability and the schedule of the DeSoto Ambulance District's pension contributions are intended to show information for 10 years. Additional years will be displayed as they become available.

Changes of Assumptions:

Year ended Dec. 31,	Discount Rate	Investment Rate of return	Inflation Rate	Expected Remaining lives	Projected Salary increase
2015	7.00%	7.00%	2.5%	4	5.25%
2016	7.00%	7.00%	2.5%	4	5.25%
2017	6.75%	6.75%	2.5%	4	5.25%
2018	6.50%	6.50%	2.4%	4	4.75%
2019	6.50%	6.50%	2.4%	4	4.75%
2020	6.40%	6.40%	2.3%	4	4.75%
2021	6.40%	6.40%	2.3%	4	4.75%
2022	6.40%	6.40%	2.3%	4	4.75%
2023	6.40%	6.40%	2.3%	4	4.75%

OTHER SUPPLEMENTARY INFORMATION

DESOTO PARISH AMBULANCE SERVICE DISTRICT
d/b/a DeSoto EMS

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

For the Year Ended June 30, 2024

Joe Magee, Administrator

Purpose:		
Salary	\$	128,095
Benefits- insurance		24,495
Benefits- retirement		14,731
Benefits- medicare		1,750
Benefits- other		3,000
Car Allowance		-
Vehicle provided by government		-
Per diem		-
Reimbursements		-
Travel		-
Registration fees		-
Conference travel		-
Continuing professional education fees		-
Housing		-
Cell phone		552
Uniforms		-

Supplementary information.
See independent auditor's report.

**OTHER REPORTS REQUIRED BY
GOVERNMENT AUDITING STANDARDS
AND THE LOUISIANA GOVERNMENTAL AUDIT GUIDE**

The following independent auditor's report on internal control over financial reporting and on compliance and other matters is presented in compliance with requirements of *Government Auditing Standards*, issued by the Comptroller General of the United States and the *Louisiana Governmental Audit Guide*, issued by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor.



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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

The Board of Commissioners
DeSoto Parish Ambulance Service District
Mansfield, Louisiana

We have audited in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and general fund of the DeSoto Parish Ambulance Service District (the District), a component unit of the DeSoto Parish Police Jury, as of and for the year ended June 30, 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 December 30, 2024.

Report on Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and responses as item 2024-01 that we consider to be a material weakness.

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 that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings as items 2024-02, 2024-03, and 2023-04.

The District's Responses to Findings

Government Auditing Standards requires the auditor to perform limited procedures on District's response to the findings identified in our audit and described in the accompanying schedule of 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 the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of any audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However, this report is a matter of public record, and its distribution is not limited. Under Louisiana Revised Statute 25:513, 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
December 30, 2024

DESOTO PARISH AMBULANCE SERVICE DISTRICT

Schedule of Findings
For the year ended June 30, 2024

SUMMARY OF AUDITOR'S REPORTS

INDEPENDENT AUDITOR'S REPORT:

We have audited the basic financial statements of DeSoto Parish Ambulance Service District as of and for the year ended June 30, 2024, and have issued our report thereon dated December 30, 2024, we conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our audit of the basic financial statements as of June 30, 2024, resulted in an unmodified opinion.

REPORT ON INTERNAL CONTROL AND COMPLIANCE MATERIAL AND OTHER MATTERS TO THE FINANCIAL STATEMENTS:

Internal Control

Significant Deficiency
Material Weakness

☐ Yes
☒ Yes

☒ No
☐ No

Compliance

Compliance Material to Financial Statements
Other Matters

☒ Yes
☐ Yes

☐ No
☒ No

FEDERAL AWARDS: Not applicable

MANAGEMENT LETTER: None.

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. Board of Commissioners

Criteria: Board commissioners are charged with a fiduciary duty to the public to oversee the activities and affairs of the District. In compliance with Open Meetings Laws, this duty is primarily conducted in board meetings open to the public.

Condition: The board only set six meeting dates during the year ended June 30, 2024. Of the six meetings scheduled, one board member did not attend any meetings and two board members only attended half of eligible meetings.

Cause: The board has the authority to set a meeting schedule on a basis other than monthly. Despite a meeting schedule requiring less than monthly meetings, certain board members have not been regularly attending meetings. The board members not regularly attending meetings have not resigned or been removed by the DeSoto Parish Police Jury.

Effect: The board's ability to conduct oversight and fulfill its fiduciary duty to the public has been limited.

Recommendation: The board should consider whether the current meeting schedule is sufficient to fulfill the fiduciary duties of the board. The board should request that members that cannot regularly attend meetings resign from the board. If board members that cannot regularly attend meetings do not resign, a vote to remove said members should be requested of the DeSoto Parish Police Jury.

DESOTO PARISH AMBULANCE SERVICE DISTRICT

Schedule of Findings and Responses

For the year ended June 30, 2024

FINDINGS RELATED TO COMPLIANCE

2024-02. Noncompliance with the Louisiana Code of Governmental Ethics.

Criteria: Louisiana Revised Statutes LSA-R.S. 42:1170(A)(3)(a)(i) requires 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/her public employment or term or office.

Condition: One commissioner did not complete the required training on the Code of Governmental Ethics.

Cause: Ethics training was not completed.

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

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

2024-03. Information requests related to ethics, related party transactions, and nepotism.

Criteria: The Louisiana Code of Governmental Ethics and state law prohibit related party transactions and nepotism for public employees and officials charged with governance and management.

Condition: Our workpapers must include documentation that we have considered possible related party transactions and nepotism. This is determined by documenting the outside businesses or business interests of management, members of the board, and the immediate family members thereof. Along with our audit engagement package, we sent out questionnaires to all those charged with management and governance of the District. Six board commissioners and one member of management did not provide the requested information.

Cause: Unknown.

Effect: Related party transactions and nepotism could be occurring in violation of state law.

Recommendation: Management should ensure that all board commissioners and members of management complete the related party questionnaires.

2024-04. Disposal of Surplus Property

Criteria: Article VII, §14 of the Louisiana Constitution of 1974 provides that no funds, credit, property, or things of value of the state or any political subdivision thereof, shall be loaned, pledged, or donated to or for any person, association, or corporation public or private. Disposition of surplus movable property, as defined in Louisiana R.S.33:4711.1(B)(3), involves the alienation of public property and, as such, must be in compliance with Article VII, §14.

Condition: Surplus property of the District was donated to another governmental entity, whose primary function is not public safety.

Cause: Management did not understand Louisiana surplus movable property laws.

Effect: The District is not in compliance with Louisiana surplus movable property laws.

Recommendation: Management should ensure that all employees are familiar with Louisiana surplus property laws and the various approved methods of disposal.

DESOTO PARISH AMBULANCE SERVICE DISTRICT

Summary Schedule of Prior Year Findings

For the year ended June 30, 2024

2022-01, 2023-01. Board of Commissioners

Unresolved.

2022-02, 2023-02. Noncompliance with the Louisiana Code of Governmental Ethics.

Unresolved.

2022-03, 2023-03. Information requests related to ethics, related party transactions, and nepotism.

Unresolved.

DeSoto Parish Emergency Medical Service

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MANAGEMENT’S RESPONSE TO THE AUDIT FINDINGS

2024-01. Board of Commissioners fiduciary duty

The current meeting schedule and other commissioner attendance issues will be considered moving forward.

2024-02. Noncompliance with the Louisiana Code of Governmental Ethics.

Management will encourage all commissioners to obtain the required ethics training. Joe Magee will ensure this compliance.

2024-03. Information requests related to ethics, related party transactions, and nepotism.

Management will encourage all commissioners and management personnel to provide the requested related party information requested by the auditor.

2024-04. Disposition of Surplus Property

Management will familiarize itself with disposal of surplus property laws.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS



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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Board of Commissioners
DeSoto Parish Ambulance Service District
Mansfield, Louisiana and the Louisiana
Legislative Auditor:

We have performed the procedures enumerated below, which were agreed to by the DeSoto Parish Ambulance Service District (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 July 1, 2023 through June 30, 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 July 1, 2023 through June 30, 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**

- 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.

Written policies and procedures of the District were obtained and were found to address all the sections noted above.

2) Board or Finance Committee

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

No exceptions were noted as a result of this procedure.

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

No exceptions were noted as a result of this procedure.

- 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.

No exceptions were noted as a result of this procedure.

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

Section not applicable to entity.

- 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.

Prior year audit findings were not discussed during board meetings.

3) Bank Reconciliations

- A. Obtain a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for selected each account, and observe that:

A listing of client bank accounts from management and management's representation that the listing is complete were obtained. The main operating account and three additional accounts were selected for review.

- 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);

No exceptions were noted as a result of this procedure.

- 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

No exceptions were noted as a result of this procedure.

- 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.

No exceptions were noted as a result of this procedure.

4) Collections (excluding EFTs)

- 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).

A listing of deposit sites for the fiscal period and management's representation that the listing is complete were obtained. The only deposit site of the entity was selected.

- 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:

A listing of collection locations and management's representation that the listing is complete was obtained. The only collection location of the entity was selected.

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

No exceptions were noted as a result of this procedure.

- 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.

No exceptions were noted as a result of this procedure.

- 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.

No exceptions were noted as a result of this procedure.

- 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.

No exceptions were noted as a result of this procedure.

- 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.

No exceptions were noted as a result of this procedure.

- 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:

Only three bank accounts under procedure #3 had applicable deposits to test under this section. Two random deposits for each account were selected for testing.

- i. Observe that receipts are sequentially pre-numbered.
Section not applicable to entity.
- ii. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
No exceptions were noted as a result of this procedure.
- iii. Trace the deposit slip total to the actual deposit per the bank statement.
No exceptions were noted as a result of this procedure.
- 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).
No exceptions were noted as a result of this procedure.
- v. Trace the actual deposit per the bank statement to the general ledger.
No exceptions were noted as a result of this procedure.

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

- 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).
A listing of locations that process payments for the fiscal period and management's representation that the listing is complete were obtained. The only location of the entity was selected.
- 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.
No exceptions were noted as a result of this procedure.
 - ii. At least two employees are involved in processing and approving payments to vendors.
No exceptions were noted as a result of this procedure.
 - iii. The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
No exceptions were noted as a result of this procedure.
 - iv. Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.
No exceptions were noted as a result of this procedure.
 - v. Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.
No exceptions were noted as a result of this procedure.
- C. For each location selected under #5B 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.
No exceptions were noted as a result of this procedure.

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

No exceptions were noted as a result of this procedure.

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

No exceptions were noted as a result of this procedure.

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

- 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.

A listing of active cards for the fiscal period and management's representation that the listing is complete were obtained.

- 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:

A random monthly statement for all four cards of the entity selected for review.

- i. Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder.

No exceptions were noted as a result of this procedure.

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

No exceptions were noted as a result of this procedure.

- C. Using the monthly statements or combined statements selected under #6B above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (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.

Credit card statements reviewed were missing some itemized invoices and meal charges did not include documentation of individuals participating in the meal. No additional controls were noted for missing invoices.

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

- A. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, 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:

A listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing is complete were obtained.

- i. 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).

No exceptions to entity policy were noted but policy rates can exceed rates established by GSA.

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

No exceptions were noted as a result of this procedure.

- iii. Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policies and procedures procedure 1A.

No exceptions were noted as a result of this procedure.

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

No exceptions were noted as a result of this procedure.

8) Contracts

- A. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:

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 and management's representation that the listing is complete were obtained.

- i. 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.

No applicable contracts were observed.

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

Not applicable to entity.

- iii. If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment.

No exceptions were noted as a result of this procedure.

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

No exceptions were noted as a result of this procedure.

9) Payroll and Personnel

- 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.

A listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete were obtained. The five employees of the entity selected for review.

- 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:

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

- ii. Observe that supervisors approved the attendance and leave of the selected employees/officials.

- iii. Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
- iv. Observe the rate paid to the employees or officials agrees to the authorized salary/pay rate found within the personnel file.

Section 9Bi and 9Bii. The entity has a complicated written process for payroll time, attendance, and leave reporting. In reviewing the processes and documentation provided for the selected payroll, clear and sufficient documentation of daily employee attendance and leave and supervisor approval was not observed. No exceptions to Section 9Biii and 9Biv were noted.

- 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' cumulative leave records, and agree the pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files.

No exceptions were noted as a result of this procedure.

- 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.

No exceptions were noted as a result of this procedure.

10) Ethics

- 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.

No exceptions were noted as a result of this procedure.

- ii. Observe whether the entity maintains documentation which demonstrates that each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

No exceptions were noted as a result of this procedure.

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

No exceptions were noted as a result of this procedure.

11) Debt Service

- 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).

Section not applicable to entity.

12) Fraud Notice

- A. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled as required by R.S. 24:523.

No misappropriations reported by entity.

- B. Observe that the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

No exceptions were noted as a result of this procedure.

13) Information Technology Disaster Recovery/Business Continuity

- 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.

We performed the procedures and discussed the results with management.

14) Prevention of Sexual Harassment

- 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.

No exceptions were noted as a result of this procedure.

- 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).

No exceptions were noted as a result of this procedure.

- 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;
64/68 – 94.1%
- ii. Number of sexual harassment complaints received by the agency;
0.
- iii. Number of complaints which resulted in a finding that sexual harassment occurred;
0.
- iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action;
and
0.
- v. Amount of time it took to resolve each complaint.
0.

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

December 30, 2024

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Management's Responses to State-Wide Agreed-Upon Procedure Exceptions:

Section 2 – Board or Finance Committee

Prior year audit findings will be discussed in board meetings.

Section 6 – Credit Cards

Management will ensure all card transactions have property documentation.

Section 9 – Payroll and Personnel

Management will review payroll policies and work to find a process that ensures all attendance and leave is clearly documented and approved.

Section 14 – Preventing Sexual Harassment

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