

**DeSoto Parish Ambulance Service District**

**Annual Financial Statements**

**June 30, 2018**

# DESOTO PARISH AMBULANCE SERVICE DISTRICT

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### INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities and the general fund of the DeSoto Parish Ambulance Service District, a component unit of the DeSoto Parish Police Jury, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Ambulance Service District's basic financial statements as listed in the table of contents.

#### ***Management's Responsibility for the Financial Statements***

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

#### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. 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 *Governmental Auditing Standards*, issued by the Comptroller General of the United States and the *Louisiana Audit Guide*. Those standards require we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the general fund of the DeSoto Parish

Ambulance Service District, as of June 30, 2018, 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.

### **Other Matters**

#### *Required and Other Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, listed as required supplementary information (Part I) in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Ambulance Service District's basic financial statements. The budgetary comparison schedule, schedule of the proportionate share of the net pension liability, the schedule of pension contributions, and the notes to the required supplementary information listed as required supplementary information (part II) in the table of contents as required by the Governmental Accounting Standards Board and the schedule of compensation, benefits and other payments to agency head or chief executive officer listed as other supplemental information in the table of contents as required by Louisiana Revised Statute 24:513(A)(3), are presented for purposes of additional analysis and are not required parts of the basic financial statements. The budgetary comparison statement, schedule of the proportionate share of the net pension liability, the schedule of pensions contributions, the notes to the required supplementary information and the schedule of compensation, benefits and other payments to agency head or chief executive officer are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 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 19, 2018, on our consideration of the DeSoto Parish Ambulance Service 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 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 DeSoto Parish Ambulance Service District's internal control over financial reporting and compliance.

## **Report on Other Legal and Regulatory Requirements**

In accordance with the requirements of the Louisiana Legislative Auditor's Statewide Agreed-Upon Procedures, we have issued a report dated December 19, 2018 on the results of those procedures, in accordance with attestation standards established by the AICPA and the standards applicable to attestation engagements contained in *Governmental Auditing Standards*. The purpose of that report is solely to describe the scope of testing performed on those control and compliance areas identified in the Louisiana Legislative Auditor's statewide agreed-upon procedures, and the results of that testing, and not to provide an opinion on control or compliance

*Dees Gardner, Certified Public Accountants, LLC*

Mansfield, Louisiana  
December 19, 2018

REQUIRED SUPPLEMENTAL INFORMATION (PART I)

# DESOTO PARISH AMBULANCE SERVICE DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2018

Within this section of the DeSoto Parish Ambulance Service District's (doing business as DeSoto EMS) annual financial report, DeSoto EMS's management is pleased to provide this narrative overview and analysis of the financial activities of the Ambulance District as of and for the fiscal year ended June 30, 2018. The Ambulance 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 Ambulance 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

The DeSoto Parish Ambulance Service District's net position increased by \$846,137 or 5%.

The DeSoto Parish Ambulance Service District's total general revenues were \$4,834,733 in 2018 compared to \$4,915,689 in 2017 representing a 2% decrease of \$80,956. Of this decrease ad valorem taxes decreased \$84,521, a 2% decrease from 2017.

During the year ended June 30, 2018, the DeSoto Parish Ambulance Service District had total expenses of \$5,297,178 (which includes \$565,793 in depreciation) which is a 17% increase over 2017.

In November, 2017, the Ambulance District entered into a Cooperative Endeavor Agreement with DeSoto Parish Fire Protection District No. 8 executing a lease for the Fire District to use two apparatus bays and two dormitories at Station 5 in Pelican, Louisiana.

### OVERVIEW OF THE FINANCIAL STATEMENTS

This Management's Discussion and Analysis document introduces the Ambulance 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 Ambulance 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 (budgetary comparison schedule) in addition to the basic financial statements. These components are described below. The Ambulance 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 Ambulance District's most significant funds rather than the Ambulance District as a whole.

# DESOTO PARISH AMBULANCE SERVICE DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2018

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 Ambulance 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 Ambulance District's annual report includes two government-wide financial statements. These statements provide both long-term and short-term information about the Ambulance 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 Ambulance 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 Ambulance 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 Ambulance District is improving or deteriorating. Evaluation of the overall health of the Ambulance 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 Ambulance 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 Ambulance District's distinct activities or functions on revenues provided by the Ambulance District's taxpayers.

Currently, the Ambulance 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.

# DESOTO PARISH AMBULANCE SERVICE DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2018

### 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 Ambulance 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

As noted earlier, net position may serve over time as a useful indicator of the Ambulance District's financial position. The DeSoto Parish Ambulance Service District's total net position changed from a year ago, increasing from \$17,301,811 to \$18,147,948.

	Governmental Activities	
	2018	2017
Current and other assets	\$ 10,168,400	\$ 9,077,856
Capital assets	9,032,192	8,640,320
Total assets	19,200,592	17,718,176
Deferred outflows of resources	477,363	748,706
Total assets and deferred outflows of resources	19,677,955	18,466,882
Current liabilities	320,856	394,734
Long-term liabilities	-	647,797
Total liabilities	320,856	1,042,531
Deferred inflows of resources	1,209,151	122,540
Total liabilities and deferred inflows of resources	1,530,007	1,165,071
Net position:		
Net investment in capital assets	9,032,192	8,640,320
Unrestricted	9,115,756	8,661,491
Total net position	\$ 18,147,948	\$ 17,301,811

# DESOTO PARISH AMBULANCE SERVICE DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2018

Net position of the DeSoto Parish Ambulance Service District's governmental activities increased by \$846,137 or 5%. The District has no restrictions on its net position.

A portion of the Ambulance District's net position, \$9,032,192 (49.8%) reflects its investment in capital assets such as ambulances, buildings, medical and communication equipment, and software. The Ambulance District uses these capital assets to provide the services to the citizens of the parish; consequently, these assets are not available for future spending. There is no outstanding debt related to these assets.

The remaining and largest portion of the Ambulance District's net position \$9,115,756 (50.2%) at June 30, 2018, is unrestricted and may be used to meet the Ambulance 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 receivables.

The following table provides a summary of the Ambulance District's changes in net position:

### SUMMARY OF STATEMENTS OF ACTIVITIES

	Governmental Activities	
	2018	2017
Revenues		
Program revenues		
Charges for services	\$ 1,138,226	\$ 899,583
Local grant & contributions	7,017	14,133
General revenues		
Ad valorem taxes	4,746,675	4,831,196
Miscellaneous revenues	32,592	58,609
Interest income	43,933	25,884
Rental income	11,533	-
Other Financing Uses		
Insurance proceeds	165,839	-
Loss on sale/donation of assets	(2,500)	(245,217)
Total revenues	6,143,315	5,584,188
Public Safety-emergency medical services	4,916,118	4,278,770
Administrative	381,060	234,170
Total expenses	5,297,178	4,512,940
Increases in net position	846,137	1,071,248
Net Position Beginning	17,301,811	16,230,563
Net Position Ending	\$ 18,147,948	\$ 17,301,811

Total revenues increased \$559,127 from total revenues in the year ended June 30, 2017, of \$5,584,188 to total revenues of \$6,143,315 in the year ended June 30, 2018.

# DESOTO PARISH AMBULANCE SERVICE DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2018

The Ambulance District is heavily reliant on ad valorem (property) taxes to support its operations. Property taxes provided 77% of the total revenues. Ad valorem taxes decreased \$84,521.

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 the parish residents. Charges for services provided 19% of the total revenue for the current year and 16% of the total revenue for the prior year. These charges increased \$238,643 (26.53%) from \$899,583 in June 30, 2017, to \$1,138,226 in the year ended June 30, 2018.

During the year ended June 30, 2018, total expenses of the Ambulance District increased \$784,238, up 17% over the previous year.

**Government fund analysis.** As the Ambulance District completed the year, its general fund reported a fund balance of \$9,547,157, which is a 12.61% increase over last year's fund balance of \$8,478,409. Expenditures decreased from \$5,725,140 for the year ended 2017 to \$5,666,325 for 2018.

### BUDGETARY HIGHLIGHTS

The Ambulance District adopted a budget for its General Fund for the year ended June 30, 2018. The budget was not amended during the year. The Ambulance District's budgetary comparison is presented as required supplementary information. Highlights for the year are as follows:

- Revenues received were more than the budgeted amounts by 18.52% due to a higher amount of ambulance service charges received than anticipated and prepaid rental income.
- Expenditure amounts were 8.44% lower than anticipated primarily due to less spent on personal services and related benefits and operations than expected.

### CAPITAL ASSETS AND DEBT ADMINISTRATION

#### Capital Assets

At the end of June 30, 2018, the DeSoto Parish Ambulance Service District had invested \$9,032,192 in capital assets as follows:

# DESOTO PARISH AMBULANCE SERVICE DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2018

### Capital Assets at Year End (Net of Depreciation)

	Governmental Activities	
	2018	2017
Ambulances	\$ 1,024,316	\$ 845,263
Medical equipment	552,296	503,990
Communications equipment	130,300	50,362
Other equipment	18,172	19,634
Furniture and fixtures	34,842	27,839
Building and Land	7,268,204	5,928,649
Leasehold improvements	1,287	1,492
Billing/Payroll software	2,775	5,475
Construction in progress	-	1,257,616
Total	\$ 9,032,192	\$ 8,640,320

The construction of Station 5 in Pelican, Louisiana, was completed with costs incurred during the year of \$257,711. A new refrigerator (\$1,145), range (\$7,924), and ice maker (\$5,238) were purchased for the new Station 5 and a hot water heater (\$3,100) at Station 1 was replaced. Two new ambulances and a new engine for another, for a total of \$384,451, were acquired. New medical equipment- two power load systems and stretchers (\$86,425) for the new medics; three ventilators (\$16,584, each); a chest compression system (\$16,395); and a LifePak 15 with wifi transmitter (\$30,002) to transmit data to the hospitals ahead of the ambulances arrivals were purchased. New communications equipment purchased included three dispatch consoles (\$19,220, each) located at the DeSoto Parish Communication Districts office, three repeaters/duplexers (\$40,215) placed on towers around the parish, three mobile radios (\$4,428, each) and a router (\$1,943) for the new Station 5. A lawnmower was purchased for a cost of \$5,000. More detailed information about the capital assets are presented in Note 4 to the financial statements.

### Debt

At year end, the Ambulance District had no long-term debt obligations.

### 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, 2019, 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, 2018

	Governmental Fund Financial Statements		Government-wide Statements
	<u>Balance Sheet</u>		Governmental Activities
<b>ASSETS</b>	General Fund	Adjustments	<b>Statement of Net Position</b>
Cash and cash equivalents	\$ 9,509,785	\$ -	\$ 9,509,785
Ambulance service receivables, net of allowance for uncollectibles	319,171	-	319,171
Ad valorem taxes receivable	60,446	-	60,446
Accrued interest receivable	9,987	-	9,987
Prepaid insurance	13,541	-	13,541
Net pension asset	-	255,470	255,470
Capital assets (net)	-	9,032,192	9,032,192
Total Assets	<u>\$ 9,912,930</u>	<u>9,287,662</u>	<u>19,200,592</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension related		477,363	477,363
Total Deferred Outflows of Resources		<u>477,363</u>	<u>477,363</u>
Total Assets and Deferred Outflows of Resources			<u>19,677,955</u>
<b>LIABILITIES</b>			
Accounts, salaries and other payables	\$ 320,856	-	320,856
Total Liabilities	<u>320,856</u>	<u>-</u>	<u>320,856</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable ad valorem taxes	44,917	(44,917)	-
Deferred lease income	-	449,773	449,773
Pension related	-	759,378	759,378
Total Deferred Inflows of Resources	<u>44,917</u>	<u>1,164,234</u>	<u>1,209,151</u>
<b>FUND BALANCE / NET POSITION</b>			
Fund Balance:			
Nonspendable:			
Prepaid expenses	13,541	(13,541)	-
Unassigned	9,533,616	(9,533,616)	-
Total Fund Balance	<u>9,547,157</u>	<u>(9,547,157)</u>	<u>-</u>
Total	<u>\$ 9,912,930</u>		
Net Position:			
Net investment in capital assets		9,032,192	9,032,192
Unrestricted		9,115,756	9,115,756
TOTAL NET POSITION		<u>\$ 18,147,948</u>	<u>\$ 18,147,948</u>

The accompanying notes are an integral part of this statement.

**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, 2018

<b>Total Fund Balance, Governmental Fund</b>	\$	9,547,157
Amounts reported for governmental activities in the statement of net position is different because:		
Certain non-current assets are not receivable in the current period and, therefore, are not reported in the governmental funds		
Net pension asset		255,470
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in fund financial statements, but are reported in the governmental activities of the Statement of Net Position		
Cost of capital assets	11,956,866	
Less accumulated depreciation	<u>(2,924,674)</u>	9,032,192
Certain deferred outflows are reported in the Statement of Net Position but not in the governmental funds		
Deferred outflows-pension related		477,363
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.		
		44,917
Deferred lease income is reported as deferred inflows of resources in the Government-wide statement, but is reflected as income in the governmental funds		
		(449,773)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds		
Deferred inflows-pension related		<u>(759,378)</u>
<b>Net Position of Governmental Activities in the Statement of Net Position</b>	<b>\$</b>	<b><u>18,147,948</u></b>

The accompanying notes are an integral part of this statement.

**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, 2018

EXPENDITURES / EXPENSES	Governmental Fund Financial Statements		Government-wide Statements
	STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE		
	General Fund	Adjustments	Statement of Activities
Current:			
Public Safety:			
Personal services & related benefits	\$ 3,841,068	\$ 30,502	\$ 3,871,570
Operations	486,422	-	486,422
Occupancy	209,673	-	209,673
Depreciation	-	558,126	558,126
Administrative			
Administrative	163,720	-	163,720
Depreciation	-	7,667	7,667
Capital outlay	965,442	(965,442)	-
<b>TOTAL EXPENDITURES / EXPENSES</b>	<b>5,666,325</b>	<b>(369,147)</b>	<b>5,297,178</b>
<b>PROGRAM REVENUES</b>			
Charges for services	1,138,226	-	1,138,226
Operating grants and contributions	3,484	-	3,484
Capital grants and contributions	3,533	-	3,533
<b>TOTAL PROGRAM REVENUES</b>	<b>1,145,243</b>	<b>-</b>	<b>1,145,243</b>
<b>NET PROGRAM EXPENSE</b>	<b>4,521,082</b>	<b>(369,147)</b>	<b>4,151,935</b>
<b>GENERAL REVENUES</b>			
Ad valorem taxes	4,911,748	(165,073)	4,746,675
Interest earnings	43,933	-	43,933
Rental income	461,306	(449,773)	11,533
Other revenue	7,004	25,588	32,592
<b>TOTAL GENERAL REVENUES</b>	<b>5,423,991</b>	<b>(589,258)</b>	<b>4,834,733</b>
<b>Excess of Revenues over Expenditures /</b> <b>Change in Net Position</b>	<b>902,909</b>	<b>(220,111)</b>	<b>682,798</b>
<b>Other Financing Sources (Uses)</b>			
Insurance proceeds	165,839	-	165,839
Loss on donated and abandoned assets	-	(2,500)	(2,500)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>165,839</b>	<b>(2,500)</b>	<b>163,339</b>
<b>Excess of Revenues and other Financing</b> <b>Sources over Expenditures / Change in</b> <b>Net Position</b>	<b>1,068,748</b>	<b>(222,611)</b>	<b>846,137</b>
<b>FUND BALANCE / NET POSITION</b>			
Beginning of the year	8,478,409		17,301,811
End of the year	\$ 9,547,157		\$ 18,147,948

The accompanying notes are an integral part of this statement.

**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, 2018

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

Net Change in Fund Balance, Governmental Fund	\$	1,068,748
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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 expense.

	Capital outlay	\$	965,442		
	Depreciation expense		(565,793)		399,649

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		(165,073)
Deferred lease income		(449,773)

In the Statement of Activities, the loss of the disposal of fixed assets is reported; whereas, in the governmental funds, the proceeds from the disposal increase financial resources. This amount is the sum of the proceeds (\$0) and the loss on the sale, donation and abandonment of fixed assets (\$2,500).

(2,500)

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).

		25,588
Non-employer contributions to cost-sharing pension plan		(30,502)
Pension (expense) benefit		<u>(30,502)</u>

Change in Net Position of Governmental Activities	\$	<u><u>846,137</u></u>
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The accompanying notes are an integral part of this statement.

## NOTES TO THE FINANCIAL STATEMENTS

**DESOTO PARISH AMBULANCE SERVICE DISTRICT**  
**d/b/a DeSoto EMS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**INTRODUCTION**

The Desoto Parish Ambulance Service District (DeSoto EMS) 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 2017-2018. 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 DeSoto EMS averages fifty employees.

**1. Summary of Significant Accounting Policies**

The accompanying basic financial statements of the DeSoto Parish Ambulance Service 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 Statement 34, *Basic Financial Statements- and Management's Discussion and Analysis – for State and Local Governments*, issued in June 1999; Statement 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*; and Statement 65, *Items Previously Reported as Assets and Liabilities*. Such accounting and reporting policies also conform to the requirements of Louisiana Revised Statutes 24:517 and to the guides set forth in the *Louisiana Governmental Audit Guide*.

The more significant accounting policies established in GAAP and used by the DeSoto Parish Ambulance Service 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 DeSoto Parish Ambulance Service 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**

Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” revenues or expenditures, expenses, and transfers—and assets, deferred outflows of resources, liabilities, and deferred inflows of resources—are recognized in the accounts and reported in the financial statements.

**Government-Wide Financial Statements**

The DeSoto Parish Ambulance Service District's basic financial statements include both government-wide (reporting the funds maintained by the DeSoto Parish Ambulance Service District as a whole) and fund financial statements (reporting the DeSoto Parish Ambulance Service District's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. The DeSoto Parish Ambulance Service District's general fund is classified as governmental activities. Governmental activities, which normally are supported by taxes and intergovernmental revenues,

**DESOTO PARISH AMBULANCE SERVICE DISTRICT**  
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**1. Summary of Significant Accounting Policies (continued)**

**B. Measurement Focus / Basis of Accounting (continued)**

are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The DeSoto Parish Ambulance Service District does not have any business-type activities.

In the government-wide Statement of Net Position, the governmental activities column is presented on a consolidated basis and is reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables. The DeSoto Parish Ambulance Service District's net position is reported in two parts – net investment in capital assets, and unrestricted net position.

The government-wide Statement of Activities reports both the gross and net cost of each of the DeSoto Parish Ambulance Service District's functions. The functions are supported by program revenues and general government revenues. The Statement of Activities reduces gross expenses (including depreciation) by any related program revenues, which must be directly associated with the function. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property 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. Program revenues of the District consist of ambulance fees billed to insurance companies and individuals. The net costs (by function) are normally covered by general revenues.

**Fund Financial Statements**

The accounts of the Ambulance Service District are organized on the basis of funds. A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds maintained is consistent with legal and managerial requirements.

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income.

Governmental fund 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 government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

Amounts reported as program revenues include 1) charges to customer applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. General revenues include all taxes, interest earnings, and other revenue.

**DESOTO PARISH AMBULANCE SERVICE DISTRICT**  
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**1. Summary of Significant Accounting Policies (continued)**

**B. Measurement Focus / Basis of Accounting (continued)**

A fund is considered major if it is the primary operating fund of the entity. The Ambulance Service District maintains only one governmental fund.

The General Fund is the primary operating fund of the Ambulance Service District. It is used to account for and report all financial resources.

**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 money market accounts with state banks organized under Louisiana law or any other state of the United States or under the laws of the United States.

Investments are limited by Louisiana Revised Statue (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 market.

**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 purchased or acquired with an original cost of \$1,000 or more are reported at historical cost. 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

**F. Compensated Absences**

After one year of service, all regular, full-time employees are granted three 24-hour shifts or 42 hours (dispatch) of vacation leave each year. After two years the employees are granted six 24-hour shifts or 60 hours (dispatch) of paid vacation. With 5 years-plus continuous service with the Desoto Parish Ambulance Service District, employees are granted ten 24-hour shifts or 84 hours (dispatch) of vacation each year. There is no carryover of vacation time from one calendar year to the next. 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. Accumulated sick leave is forfeited upon separation of employment; therefore under GASB Statement No. 16 guidelines compensated absences for sick pay are not recorded in the financial statements.

**DESOTO PARISH AMBULANCE SERVICE DISTRICT**  
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**1. Summary of Significant Accounting Policies (continued)**

**G. Unavailable Ad Valorem Taxes**

Under the modified accrual basis of accounting, the DeSoto Parish Ambulance Service 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 DeSoto Parish Ambulance Service 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 EMS 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:

1. *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.
2. *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.
3. *Unrestricted net position*—consists of all other assets that do not meet the definition of "restricted" or "net investment in capital assets".

When an expense is incurred for the purposes for which both restricted and unrestricted net position is available, management applies unrestricted net position first, unless a determination is made to use restrict net position. The policy concerning which to apply first varies with the intended use and legal requirements. This decision is typically made by management at incurrence of the expense.

**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

**DESOTO PARISH AMBULANCE SERVICE DISTRICT**  
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**1. Summary of Significant Accounting Policies (continued)**

**I. Fund Equity (continued)**

- *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.

The District would typically use restricted fund balances first, followed by committed resources, and then assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first to defer the use of these other classified funds.

**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.

**K. Pension Plans**

The DeSoto Parish Ambulance Service 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 for 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 position 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 position that applied to future periods and will not be recognized as an inflow of resources until that time.

**DESOTO PARISH AMBULANCE SERVICE DISTRICT**  
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**2. Cash and Cash Equivalents**

At June 30, 2018, the District has cash and cash equivalents (book balances) totaling \$9,509,785 in interest-bearing demand and short-term timed deposits.

The cash and cash equivalents of the DeSoto EMS 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 EMS 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 EMS's name.

At June 30, 2018, the District has \$9,625,216 in deposits (collected bank balances). These deposits are secured from risk by \$1,000,000 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 \$10,467,019 (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 EMS 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 EMS diversifies its investments by security type and institution.

**3. Levied Taxes**

The DeSoto Parish Ambulance Service District was authorized an ad valorem tax millage of 7.0 mills and levied taxes of 7.0 mills for 2017. This tax is for the purpose of paying the cost of providing ambulance service in the parish and is for a period of ten years beginning with the year 2009 and ending with the year 2018. The tax was renewed in November, 2017, by the voters of DeSoto Parish for another ten year period.

The property tax calendar is as follows:

Assessment date	January 1, 2017
Levy date	June 30, 2017
Tax bills mailed	October 15, 2017
Total taxes due	December 31, 2017
Penalties & interest added	January 31, 2018
Tax sale	May 15, 2018

Total assessed value was \$719,797,208 in 2017. Louisiana state law exempts the first \$75,000 of assessed value of a taxpayer's primary residence from parish property taxes. This homestead exemption was a total of \$41,700,737 of the assessed value in 2017. The EMS adjusted ad valorem tax revenue was \$4,911,748.

**DESOTO PARISH AMBULANCE SERVICE DISTRICT**  
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**3. Levied Taxes (continued)**

The following are the principal taxpayers for the parish (2017 amounts):

Taxpayer	Type of Business	2017 Taxable Valuation	2017 Assessed Tax	Percentage of Total Assessed Valuation
International Paper Co.	Manufacturing	\$52,959,334	\$370,715	7.81%
Exco Operating Comapany LP	Oil & Gas	\$52,145,619	\$365,019	7.69%
Chesapeake Operating, LLC	Oil & Gas	\$43,465,984	\$304,262	6.41%
Southwestern Electric Power	Utility	\$27,191,668	\$190,342	4.01%
Louisiana Midstream Gas Service	Oil & Gas	\$26,920,430	\$188,443	3.97%
Acadian Gas Pipeline System	Oil & Gas	\$24,275,854	\$169,931	3.58%
Indigo Minerals LLC	Oil & Gas	\$23,665,567	\$165,659	3.49%
Enterprise Gathering LLC	Oil & Gas	\$23,529,948	\$164,710	3.47%
Covey Park Operating LLC	Oil & Gas	\$22,987,470	\$160,912	3.39%
Cleco Power LLC	Utility	\$22,784,041	\$159,488	3.36%
Total		<u>\$319,925,915</u>	<u>\$2,239,481</u>	<u>47.18%</u>

Ad valorem taxes receivable at June 30, 2018, is \$60,446.

**4. Capital Assets**

Capital asset activity for the year ended June 30, 2018, was as follows:

	6/30/2017	Additions	Reclassifications/ Deductions	6/30/2018
Capital assets, not depreciated				
Construction in Progress	\$ 1,257,616	\$ -	\$ (1,257,616)	\$ -
Land	416,990	-	-	416,990
Capital assets, being depreciated				
Ambulances & Vehicles	2,340,910	384,452	(286,835)	2,438,527
Buildings	5,567,179	257,711	1,257,616	7,082,506
Furniture and Fixtures	68,120	17,407	-	85,527
Medical & Communication Equipment	1,194,681	300,595	-	1,495,276
Leasehold improvements	5,050	-	-	5,050
Billing/payroll softw are	16,000	-	-	16,000
Total capital assets, being depreciated	<u>9,608,930</u>	<u>960,165</u>	<u>970,781</u>	<u>11,539,876</u>
Less accumulated depreciation for				
Ambulances & Vehicles	1,495,645	202,899	(284,335)	1,414,209
Buildings	472,511	175,773	-	648,284
Furniture and Fixtures	40,281	10,404	-	50,685
Medical & Communication Equipment	620,695	173,812	-	794,507
Leasehold improvements	3,559	205	-	3,764
Billing softw are	10,525	2,700	-	13,225
Total accumulated depreciation	<u>2,643,216</u>	<u>565,793</u>	<u>(284,335)</u>	<u>2,924,674</u>
Total capital assets, net	<u>\$ 8,640,320</u>	<u>\$ 394,372</u>	<u>\$ 1,255,116</u>	<u>\$ 9,032,192</u>

Depreciation expense for the year ended June 30, 2018, was \$565,793. In the Statement of Activities, \$558,126 was included in public safety and \$7,667 was in administration.

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**5. Net Ambulance Service Charges/Receivables**

The receivable consists of \$319,171 due from insurance and Medicare/Medicaid for ambulance services provided.

Ambulance service charge receivable	\$ 694,495
Allowance for doubtful accounts	<u>(375,324)</u>
Net ambulance service charges receivable	<u>\$ 319,171</u>

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.

**6. Pension Plan**

*Plan description.* Full-time employees (approximately 35) of the DeSoto Parish Ambulance Service 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 who are paid wholly or in part from parish funds 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.

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 prior to 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.

**DESOTO PARISH AMBULANCE SERVICE DISTRICT**  
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**6. Pension Plan (continued)**

*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.

*Deferred Retirement Option Plan:* 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 in to 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 if not eligible for normal retirement and has been officially certified as disable by the State Medical Disability Board. Upon retirement caused by disability, a member shall be paid a disability benefit equal to the lesser of an amount equal to three percent of the member's final average compensation multiplied by years of service assuming continued service to age sixty.

*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 years 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, 2017, the actuarially determined contribution rate was 9.35% of member's compensation for Plan A. However, the actual rate for the fiscal year ending December 31, 2017, was 12.5%. Contributions to the System also include one-fourth of one percent (except Orleans and East Baton Rouge parishes) of the taxes shown to be collectible by the tax rolls of each parish. 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.

**DESOTO PARISH AMBULANCE SERVICE DISTRICT**  
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**6. Pension Plan (continued)**

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, 2018, 2017, and 2016 were \$275,316, \$247,252, and \$227,610, 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, 2018, the DeSoto Parish Ambulance Service District reported a net pension asset of \$255,470 for its proportionate share of the net pension liability of the Plan. The net pension asset was measured as of December 31, 2017, 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. At December 31, 2017, the District's proportion was 0.344185% which was an increase of 0.02965% from the proportion measured as of December 31, 2016.

For the year ended June 30, 2018, the District recognized pension expense of \$30,502, representing its proportionate share of the Plan's net expense, including amortization of deferred amounts.

At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ (165,372)
Net difference between projected and actual earnings on pension plan investments		(590,210)
Changes of assumptions	322,441	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	8,683	(3,796)
Employer contributions subsequent to the measurement date	146,239	-
Totals	\$ 477,363	\$ (759,378)

The District reported a total of \$146,239 as deferred outflow of resources related to pension contributions made subsequent to the measurement period of December 31, 2017, which will be recognized as a reduction in net pension liability in the year ended June 30, 2019. 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,	
2019	\$ 177,367
2020	(32,768)
2021	(192,686)
2022	(233,928)
	\$ (282,015)

**DESOTO PARISH AMBULANCE SERVICE DISTRICT**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
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**6. Pension Plan (continued)**

*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, 2017, are as follows:

Total Pension Liability	\$	12,923,442
Plan Fiduciary Net Position		13,178,913
Total Net Pension Asset	\$	<u>(255,470)</u>

A summary of the actuarial methods and assumptions used in determining the total pension liability as of December 31, 2017, is as follows:

Valuation Date	December 31, 2017
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	6.75%, net of investment expense, including inflation
Expected Remaining Service Lives	4 years
Projected Salary Increases	5.25% (2.75% Merit/2.50% Inflation)
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.
Mortality	RP-2000 Employee Sex Distinct Table was selected for employees. RP-2000 Healthy Annuitant Sex Distinct Tables were selected for healthy annuitants and beneficiaries. RP-2000 Disabled Lives Mortality Table was selected for disabled annuitants.
Inflation Rate	2.50%

*Discount Rate.* The discount rate used to measure the total pension liability was 6.75 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 2.00% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return is 7.62% for the year ended December 31, 2017.

**DESOTO PARISH AMBULANCE SERVICE DISTRICT**  
**d/b/a DeSoto EMS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2018

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**6. Pension Plan (continued)**

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	35%	1.24%
Equity	52%	3.57%
Alternatives	11%	0.69%
Real assets	2%	0.12%
Total	<u>100%</u>	<u>5.62%</u>
Inflation		<u>2.00%</u>
Expected Arithmetic Nominal Return		<u>7.62%</u>

The mortality rate assumption used was set based upon an experience study performed on plan data for the period January 1, 2010 through December 31, 2014. The data was assigned credibility weighting and combined with a standard table to produce current levels of mortality. This mortality was then projected forward to a period equivalent to the estimated duration of the System's liabilities.

*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 6.75 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 (5.75 percent) or one percentage point higher 7.75 percent) than the current rate:

	Discount rate	District's proportionate share of net pension liability
1% decrease	5.75%	1,259,560
Current discount rate	6.75%	(255,470)
1% increase	7.75%	(1,535,668)

*Plan Fiduciary Net Position.* The changes in the net pension liability for the year ended December 31, 2017, 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.

*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.

**DESOTO PARISH AMBULANCE SERVICE DISTRICT**  
**d/b/a DeSoto EMS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2018

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**6. Pension Plan (continued)**

*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.

*Change in Proportion:*

Changes in the employer's 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.

*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, 2017. Access to the audit report can be found on the System's website: [www.persla.org](http://www.persla.org) or on the Office of Louisiana Legislative Auditor's official website: [www.la.state.la.us](http://www.la.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 Agreement/ Lease**

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. The Ambulance District recognized rental income of \$11,533, deferred revenue of \$449,773, and utility reimbursement of \$3,484 for the year ended June 30, 2018.

**8. Litigation and Claims**

At June 30, 2018, the Desoto Parish Ambulance Service District was not involved in any litigation nor was aware of any unasserted claims.

**9. Compensation Paid Board Members**

The Board members were not compensated during the year ended June 30, 2018.

**DESOTO PARISH AMBULANCE SERVICE DISTRICT**  
**d/b/a DeSoto EMS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2018

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**10. Subsequent Events**

Management has performed an evaluation of the DeSoto EMS's activities through December 19, 2018, 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 SUPPLEMENTAL INFORMATION (PART II)

**DESOTO PARISH AMBULANCE SERVICE DISTRICT**  
**d/b/a DeSoto EMS**  
**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**  
For the Year Ended June 30, 2018

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
<b>Revenues</b>				
Charges for services	631,500	\$ 631,500	\$ 1,138,226	\$ 506,726
Grants and contributions	-	-	7,017	7,017
Ad valorem taxes	4,700,000	4,700,000	4,911,748	211,748
Interest earnings	21,000	21,000	43,933	22,933
Rental income	-	-	461,306	461,306
Other revenue	-	-	7,004	7,004
Total Revenues	<u>5,352,500</u>	<u>5,352,500</u>	<u>6,569,234</u>	<u>1,216,734</u>
<b>Expenditures</b>				
Administrative	163,310	163,310	163,720	(410)
Personal services & related benefits	4,264,000	4,264,000	3,841,068	422,932
Operations	563,000	563,000	486,422	76,578
Occupancy	213,000	213,000	209,673	3,327
Capital outlay	985,000	985,000	965,442	19,558
Total Expenditures	<u>6,188,310</u>	<u>6,188,310</u>	<u>5,666,325</u>	<u>521,985</u>
<b>Excess (deficiency) of revenues over expenditures</b>	(835,810)	(835,810)	902,909	1,738,719
<b>Other financing sources</b>				
Insurance proceeds	-	-	165,839	(165,839)
Total Other financing sources	<u>-</u>	<u>-</u>	<u>165,839</u>	<u>(165,839)</u>
<b>Excess (deficiency) of revenues over expenditures and other financing sources</b>	(835,810)	(835,810)	1,068,748	
<b>FUND BALANCE</b>				
Beginning of the year	8,478,409	8,478,409	8,478,409	-
End of the year	<u>\$ 7,642,599</u>	<u>\$ 7,642,599</u>	<u>\$ 9,547,157</u>	<u>\$ 1,904,558</u>

Supplemental schedule. For purposes of additional analysis  
The accompanying notes are an integral part of the financial statements.  
See auditor's report.

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

**Schedule of the DeSoto Ambulance District's Proportionate Share  
of the Net Pension Liability  
For the year ended June 30, 2018**

<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 percentage of its covered-employee payroll</u>	<u>Plan fiduciary net position as a percentage of the total pension liability</u>
Parochial Employees's Retirement System of Louisiana (Plan A)					
2018	0.344185%	\$ (255,470)	\$ 2,406,144	(11.%)	102.0%
2017	0.314539%	\$ 647,797	\$ 1,939,971	33%	94.1%
2016	0.281127%	\$ 740,007	\$ 1,539,545	48%	92.2%
2015	0.254606%	\$ 69,611	\$ 1,422,563	5%	99.1%

\*Amounts presented were determined as of the measurement date (previous fiscal year end).

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

Supplemental schedule. For purposes of additional analysis  
The accompanying notes are an integral part of the financial statements.  
See auditor's report.

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

**Schedule of the DeSoto Ambulance District's Pension Contributions**

For the year ended June 30, 2018

Fiscal Year*	(a) Statutorily Required Contribution	(b) Contributions in relation to the statutorily required contribution	(a-b) Contribution Deficiency (Excess)	Agency's covered-employee payroll	Contributions as a percentage of covered-employee payroll
Louisiana State Employees' Retirement System					
2018	\$ 288,052	\$ 288,052	\$ -	\$ 2,406,144	12.0%
2017	\$ 247,298	\$ 247,298	\$ -	\$ 1,939,971	12.7%
2016	\$ 232,290	\$ 232,290	\$ -	\$ 1,539,545	15.1%
2015	\$ 227,518	\$ 227,518	\$ -	\$ 1,422,563	16.0%

\*Amounts presented were determined as of the end of the fiscal year.

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

Supplemental schedule. For purposes of additional analysis  
The accompanying notes are an integral part of the financial statements.  
See auditor's report.

## DESOTO PARISH AMBULANCE SERVICE DISTRICT

### NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

As of and for the Year Ended June 30, 2018

#### **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.

Budgeted revenues do not exceed actual revenues. Actual expenditures do not exceed budgeted expenditures. 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 Benefit Terms:* There were no changes of benefit terms for the year ended June 30, 2018.

*Changes of Assumptions:* There were no changes of benefit assumptions for the year ended June 30, 2018.

## OTHER SUPPLEMENTAL 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, 2018

Joe Magee, Administrator	
Purpose:	
Salary	\$ 100,700
Benefits- insurance	12,775
Benefits- retirement	12,078
Benefits- other	376
Car Allowance	-
Vehicle provided by government	-
Per diem	-
Reimbursements	530
Travel	-
Registration fees	-
Conference travel	-
Continuing professional education fees	-
Housing	-
Cell phone	971
Uniforms	441
Total	\$ <u><u>127,871</u></u>

The accompanying notes are an integral part of this statement.

OTHER REPORTS REQUIRED BY *GOVERNMENT AUDITING*  
*STANDARDS*



## Dees Gardner, Certified Public Accountants, LLC

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Mansfield, Louisiana

Phone No. 318-872-3007

Fax No. 318-872-1357

### **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, a component unit of the DeSoto Parish Police Jury, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the DeSoto Parish Ambulance Service District's basic financial statements and have issued our report thereon dated December 19, 2018.

#### Internal Control over Financial Reporting

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

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

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

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the DeSoto Parish Ambulance Service 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Ambulance Service 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. Although the intended use of this report may be limited, under Louisiana Revised Statute 24:513, 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 19, 2018

## AUDIT FINDINGS

**DESOTO PARISH AMBULANCE SERVICE DISTRICT**

Schedule of Findings and Responses  
For the Year ended June 30, 2018

**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, 2018, and have issued our report thereon dated December 19, 2018, 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, 2018, resulted in an unmodified opinion.

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

Internal Control

Significant Deficiency	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Material Weakness	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Compliance

Compliance Material to Financial Statements	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Other Matters	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

FEDERAL AWARDS

Not applicable

MANAGEMENT LETTER

None.

MANAGEMENT'S CORRECTIVE ACTION PLAN

None.

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

FINDINGS RELATED TO INTERNAL CONTROL

None.

FINDINGS RELATED TO COMPLIANCE

None.

**DESOTO PARISH AMBULANCE SERVICE DISTRICT**

Summary Schedule of Prior Year Findings  
For the year ended June 30, 2018

**2017-001 Disbursement Lacked Board Approval**

One of sixty-three disbursements tested found one invoice over \$5,000 that lacked approval by the Board of Commissioners. The issue has been resolved.

**2017-002 On-line Bill Payment Segregation of Duties**

Electronic fund transfers were submitted by an employee without check signing authority. The issue has been resolved.



# **Dees Gardner, Certified Public Accountants, LLC**

Deborah D. Dees, CPA/CFF

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Mansfield, Louisiana 71052

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

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

We have performed the procedures enumerated below, which were agreed to by the DeSoto Parish Ambulance Service (EMS) 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, 2017 through June 30, 2018. The EMS's management is responsible for those C/C areas identified in the SAUPs.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

### ***Written Policies and Procedures***

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1. No prior year exceptions. Category excluded from review.

### ***Board or Finance Committee***

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2. 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:
  - a) 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 noted as result of this procedure.*
  - b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds.  
*No exceptions noted as a result of this procedure.*
  - c) For governmental entities, obtain the prior year audit report and observe the unrestricted fund balance in the general fund. If the general fund had a negative ending unrestricted 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 unrestricted fund balance in the general fund.  
*No exceptions noted as a result of this procedure.*

## **Bank Reconciliations**

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3. 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 4 additional accounts were selected for review.*

- a) 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 noted as a result of this procedure.*

- b) Bank reconciliations include evidence that a member of management/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

*Board/management review was not regularly observed on bank reconciliations, however, review is observed consistently on Bank Statements. Inquiry of management indicates the practice of management is to review statements and reconciliations simultaneously and documentation of review on statements is documentation of review of both statements and reconciliations.*

- c) 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.*

**Management Response:** *Management has consistently reviewed of bank statements and reconciliations during the fiscal period. A change in practice to document review on reconciliations rather than bank statements will be considered to avoid confusion in the future.*

## **Collections**

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4. 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 deposits sites and management's representation that the listing is complete were obtained. The only site of the entity selected for review.*

5. 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 were obtained. The only location of the entity selected for review.*

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

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

- b) 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.*

- c) 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.*

- d) 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.*

6. Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.

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

7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 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). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:

*Two deposits for each of the bank accounts selected under procedure #3 were randomly selected and supporting documentation was obtained.*

- a) Observe that receipts are sequentially pre-numbered.

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

- b) 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.*

- c) Trace the deposit slip total to the actual deposit per the bank statement.

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

- d) 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).

*The entity does not receive cash collections at the entities only collection site. The primary collection source is checks received by mail. The entity does not log daily checks received, thus, timeliness cannot be confirmed.*

- e) Trace the actual deposit per the bank statement to the general ledger.

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

**Management Response:** *Management is working to develop a procedure to log collections received so that timeliness of deposits can be confirmed. This change will have to take into account the limited staffing of the office.*

**Non-Payroll Disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases)**

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8. 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 payment processing locations and management's representation that the listing is complete were obtained. The only location of the entity selected for review.*

9. For each location selected under #8 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:

*A listing of employees involved with non-payroll purchasing and payment functions and management's representation that the listing is complete were obtained.*

- a) 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.*

- b) At least two employees are involved in processing and approving payments to vendors.

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

- c) 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.

*There is no restriction on the processor of vendor payments to add or modify vendor files. It should be noted that no payments to vendors can be made without approval and no vendors are added without an approved invoice or payment document.*

- d) 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.*

10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:

- a) Observe that the disbursement matched the related original invoice/billing statement.

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

- b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

*One reviewed disbursement for a recurring utility payment did not include documentation of approval to pay on the invoice. It should be noted that the Invoice was paid online and the subsequent payment confirmation report was approved by management.*

**Management Response:** *Management is consistent with purchasing and disbursement approvals. The cited disbursement under Section 10(b) was a valid payment and the lack of documented approval was an oversight.*

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

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11. No prior year exceptions. Category excluded from review.

12. No prior year exceptions. Category excluded from review.

13. No prior year exceptions. Category excluded from review.

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

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14. No prior year exceptions. Category excluded from review.

**Contracts**

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15. No prior year exceptions. Category excluded from review.

**Payroll and Personnel**

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16. No prior year exceptions. Category excluded from review.

17. No prior year exceptions. Category excluded from review.

18. No prior year exceptions. Category excluded from review.

19. No prior year exceptions. Category excluded from review.

**Ethics**

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20. No prior year exceptions. Category excluded from review.

**Debt Service**

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21. No prior year exceptions. Category excluded from review.

22. No prior year exceptions. Category excluded from review.

**Other**

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23. 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.

*No misappropriations of public funds and assets reported.*

24. No prior year exceptions. Category excluded from review.

We were not engaged to and did not conduct an examination or review, 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.

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 19, 2018