

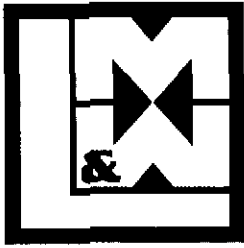
**ALLEN PARISH AMBULANCE
SERVICE DISTRICT NO. 1**

**FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT**

**FOR THE YEARS ENDED
DECEMBER 31, 2025 AND 2024**

TABLE OF CONTENTS

	<u>Page No.</u>
Independent Auditors' Report on the Basic Financial Statements and Supplementary Information.....	1-3
Basic Financial Statements	
Statements of Net Position.....	5-6
Statements of Revenues, Expenses and Changes in Net Position.....	7-8
Statements of Cash Flows.....	9-10
Notes to Financial Statements.....	11-27
Required Supplementary Information	
Schedules of the Ambulance District's Proportionate Share of the Net Pension Liability (Asset)	29-30
Schedules of the Ambulance District's Contributions to Pension Plan.....	31
Other Supplementary Information	
Schedules of Board Fees.....	33
Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer.....	34
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	35-36
Schedule of Findings and Responses.....	37-38
Schedule of Prior Year Findings.....	39



LESTER, MILLER & WELLS

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INDEPENDENT AUDITORS' REPORT

To the Board of Commissioners
Allen Parish Ambulance Service District No. 1
Kinder, Louisiana

Opinion

We have audited the accompanying financial statements of Allen Parish Ambulance Service District No. 1, a component unit of the Allen Parish Police Jury, as of and for the years ended December 31, 2025 and 2024, and the related notes to the financial statements, which collectively comprise Allen Parish Ambulance Service District No. 1's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Allen Parish Ambulance Service District No. 1, as of December 31, 2025 and 2024, and the changes in financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We concluded our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Allen Parish Ambulance Service District No. 1, and meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Allen Parish Ambulance Service District No. 1's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Allen Parish Ambulance Service District No. 1's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Allen Parish Ambulance Service District No. 1's ability to continue as a going concern for a reasonable period of time.

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

Emphasis of Matter

As discussed in Note 1, the financial statements present only the financial information of the Allen Parish Ambulance Service District No. 1 and do not purport to, and do not, present fairly the financial position of the Allen Parish Police Jury as of December 31, 2025 and 2024, the changes in its financial position, or its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Required Supplementary Information

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information.

Accounting principles generally accepted in the United States of America require that the required supplementary information on pages 29 through 31, be presented to supplement the basic financial statements. Such information is the responsibility of management, and although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 27, 2026, on our consideration of the Allen Parish Ambulance Service District No. 1'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 effectiveness of the Allen Parish Ambulance Service District No. 1's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Allen Parish Ambulance Service District No. 1's internal control over financial reporting and compliance.

Lester, Miller & Wells

Certified Public Accountants
Lafayette, Louisiana

June 26, 2026

BASIC FINANCIAL STATEMENTS

ALLEN PARISH AMBULANCE SERVICE DISTRICT NO. 1
STATEMENTS OF NET POSITION
DECEMBER 31,

	<u>2025</u>	<u>2024</u>
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES		
CURRENT ASSETS		
Cash and cash equivalents	\$ 870,859	\$ 273,538
Certificates of deposit	2,889,548	3,434,089
Patient accounts receivable, net of estimated uncollectibles of \$173,772 in 2025 and \$147,895 in 2024 (Note 4)	466,880	479,321
Ad valorem tax receivable, net of estimated uncollectibles of \$1,111 in 2025 and \$629 in 2024	35,938	177,087
Due from other governmental agencies	69,649	387,006
Inventories	57,658	60,268
Prepaid expenses	151,048	179,051
Other receivables	<u>13,079</u>	<u>32,948</u>
Total current assets	<u>4,554,659</u>	<u>5,023,308</u>
CAPITAL ASSETS		
Nondepreciable capital assets (Note 7)	106,800	24,501
Depreciable capital assets, net (Note 7)	<u>1,255,121</u>	<u>1,422,848</u>
Total capital assets	<u>1,361,921</u>	<u>1,447,349</u>
OTHER ASSETS		
Net pension asset (Note 9)	<u>205,261</u>	<u>-0-</u>
Total assets	6,121,841	6,470,657
DEFERRED OUTFLOWS OF RESOURCES		
Defined benefit pension plan (Note 9)	<u>305,518</u>	<u>541,943</u>
Total assets and deferred outflows of resources	\$ <u>6,427,359</u>	\$ <u>7,012,600</u>

See accompanying notes to financial statements.

ALLEN PARISH AMBULANCE SERVICE DISTRICT NO. 1
STATEMENTS OF NET POSITION (CONTINUED)
DECEMBER 31,

	<u>2025</u>	<u>2024</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION		
CURRENT LIABILITIES		
Accounts payable	\$ -0-	\$ 1,541
Accrued liabilities	161,755	95,911
Current portion of compensated absences (Note 8)	<u>16,300</u>	<u>16,300</u>
Total current liabilities	178,055	113,752
LONG-TERM		
Compensated absences (Note 8)	142,498	142,498
Net pension liability (Note 9)	<u>-0-</u>	<u>172,066</u>
Total liabilities	<u>320,553</u>	<u>428,316</u>
DEFERRED INFLOWS OF RESOURCES		
Defined benefit pension plan (Note 9)	<u>187,324</u>	<u>77,106</u>
NET POSITION		
Net investment in capital assets	1,361,921	1,447,349
Unrestricted	<u>4,557,561</u>	<u>5,059,829</u>
Total net position	<u>5,919,482</u>	<u>6,507,178</u>
Total liabilities, deferred inflows of resources and net position	\$ <u><u>6,427,359</u></u>	\$ <u><u>7,012,600</u></u>

See accompanying notes to financial statements.

ALLEN PARISH AMBULANCE SERVICE DISTRICT NO. 1
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
YEARS ENDED DECEMBER 31,

	<u>2025</u>	<u>2024</u>
Operating revenues:		
Net patient service revenues, net of provision for bad debts		
of \$216,157 in 2025 and \$112,923 in 2024	\$ 1,607,595	\$ 2,065,384
Other operating revenues	<u>200</u>	<u>136,513</u>
Total operating revenues	<u>1,607,795</u>	<u>2,201,897</u>
Operating expenses:		
Salaries	1,766,571	1,753,266
Advertising	3,548	3,864
Board members' per diems	8,250	5,450
Repairs and maintenance	85,650	95,743
Depreciation expense	245,527	201,011
Employee benefits	206,611	219,265
Fuel expense	25,327	31,389
Insurance expense	129,199	108,924
Intergovernmental transfer - supplemental payment program	66,985	44,602
Medical director	4,800	4,800
Other expenses	11,151	11,584
Payroll taxes	34,539	32,733
Postage and delivery	3,627	3,101
Professional expenses	33,939	41,221
Retirement expense	149,574	54,685
Supplies	89,760	95,315
Telephone expense	24,754	25,443
Utilities	<u>26,398</u>	<u>19,586</u>
Total operating expenses	<u>2,916,210</u>	<u>2,751,982</u>
Operating income (loss)	<u>(1,308,415)</u>	<u>(550,085)</u>
Non-operating revenues (expenses):		
Ad valorem taxes, net of pension deduction	597,105	562,685
Investment income	<u>123,614</u>	<u>158,985</u>
Total non-operating revenues (expenses)	<u>720,719</u>	<u>721,670</u>
Increase (decrease) in net position	\$ <u>(587,696)</u>	\$ <u>171,585</u>

See accompanying notes to financial statements.

ALLEN PARISH AMBULANCE SERVICE DISTRICT NO. 1
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
(CONTINUED)
YEARS ENDED DECEMBER 31,

	<u>2025</u>	<u>2024</u>
Increase (decrease) in net position (carried forward)	\$ (587,696)	\$ 171,585
Net position, beginning of year	<u>6,507,178</u>	<u>6,335,593</u>
Net position, end of year	\$ <u><u>5,919,482</u></u>	\$ <u><u>6,507,178</u></u>

See accompanying notes to financial statements.

ALLEN PARISH AMBULANCE SERVICE DISTRICT NO. 1
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31,

	<u>2025</u>	<u>2024</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from and on behalf of patients	\$ 1,620,036	\$ 1,955,070
Payments to suppliers and contractors	(905,724)	(1,019,339)
Payments to employees	(1,700,727)	(1,717,384)
Other receipts and payments, net	<u>17,200</u>	<u>136,514</u>
Net cash provided by (used in) operating activities	<u>(969,215)</u>	<u>(645,139)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Ad valorem taxes	<u>1,055,611</u>	<u>390,199</u>
Net cash provided by non-capital financing activities	<u>1,055,611</u>	<u>390,199</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Payments for the purchase of property and equipment	<u>(160,099)</u>	<u>(302,321)</u>
Net cash used in capital and related financing activities	<u>(160,099)</u>	<u>(302,321)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest income	126,483	158,478
Purchase of certificates of deposit, net of redemptions	<u>544,541</u>	<u>106,542</u>
Net cash provided by (used in) investing activities	<u>671,024</u>	<u>265,020</u>
Net increase (decrease) in cash and cash equivalents	597,321	(292,241)
Cash and cash equivalents, beginning	<u>273,538</u>	<u>565,779</u>
Cash and cash equivalents, ending	\$ <u>870,859</u>	\$ <u>273,538</u>

See accompanying notes to financial statements.

ALLEN PARISH AMBULANCE SERVICE DISTRICT NO. 1
STATEMENTS OF CASH FLOWS (CONTINUED)
YEARS ENDED DECEMBER 31,

	<u>2025</u>	<u>2024</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES		
Operating income	\$ (1,308,415)	\$ (550,085)
Adjustment to reconcile operating loss to net cash used in operating activities:		
Depreciation	245,527	201,011
Provision for bad debts	216,157	112,923
(Increase) decrease in assets -		
Patient accounts receivable	(203,716)	(223,237)
Prepaid expenses	28,003	(83,881)
Inventories	2,610	(11,016)
Other receivables	17,000	1
Net pension asset	(205,261)	-0-
Change in deferred outflows of resources	236,425	398,816
Increase (decrease) in liabilities -		
Accounts payable	(1,541)	140
Accrued liabilities	65,844	17,033
Compensated absences	-0-	18,849
Net pension liability	(172,066)	(524,819)
Change in deferred inflows of resources	<u>110,218</u>	<u>(874)</u>
Net cash provided by (used in) operating activities	\$ <u>(969,215)</u>	\$ <u>(645,139)</u>

See accompanying notes to financial statements.

ALLEN PARISH AMBULANCE SERVICE DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2025 AND 2024

Note 1. Description of Organization and Summary of Significant Accounting Policies

The following is a summary of the Allen Parish Ambulance Service District No. 1's (the "Ambulance District") significant accounting policies:

Organization

The Ambulance District was established by the Allen Parish Police Jury, by virtue of the authority of R.S. 33:1261, et seq. The purpose of the Ambulance District is to own and operate ambulances for the transportation of persons suffering from illnesses or disabilities which necessitate ambulance care. The Ambulance District is governed by a Board of Commissioners composed of five qualified voters of the Ambulance District, which are appointed by the Allen Parish Police Jury. The Ambulance District is a component unit of the Allen Parish Police Jury. The accompanying financial statements present only the Ambulance District.

The financial statements of the Ambulance District have been prepared in accordance with generally accepted accounting principles in the United States of America ("GAAP") applicable to state and local governments. The Governmental Accounting Standards Board ("GASB") is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The significant accounting and reporting policies and practices used by the Ambulance District are described below.

Method of Accounting

The Ambulance District's financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the time of related cash flows. Property taxes are recognized as revenues in the year they are levied. Grants are recognized as revenue as soon as eligibility requirements imposed by the provider have been met. The Ambulance District's accounting and reporting procedures also conform to the requirements of Louisiana Revised Statute 24:514 and to the guide set forth in the *Louisiana Governmental Audit Guide*, and the *Audit and Accounting Guide – Health Care Organizations*, published by the American Institute of Certified Public Accountants, and standards established by the GASB.

Enterprise Fund

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises – where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

Use of Estimates

The preparation of the basic financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the basic financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Advertising

The Ambulance District expenses advertising cost as incurred. Advertising expense for the years ended December 31, 2025 and 2024, totaled \$3,548 and \$3,864, respectively.

ALLEN PARISH AMBULANCE SERVICE DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2025 AND 2024

Note 1. Description of Organization and Summary of Significant Accounting Policies (Continued)

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Ambulance District considers all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents. Under state law, the Ambulance District may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana Law or any other state of the United States, or under the laws of the United States.

Credit Risk

The Ambulance District provides ambulance services to Allen Parish residents and grants credit to patients, substantially all of whom are local residents. The Ambulance District's estimate of collectability is based on an evaluation of historical collections compared to gross revenues to establish an allowance for uncollectible accounts.

Significant Concentration of Economic Dependence

The Ambulance District has an economic dependence on Medicare and Medicaid as it received 59% and 47%, in 2025 and 2024, respectively, of its payments from these two sources. Accordingly, changes in federal and state legislation or interpretations of rules have a significant impact on the Ambulance District.

Patient Accounts Receivable

Patient accounts receivable are carried at a net amount determined by the original billed amount less an estimate made for contractual adjustments or discounts provided to third-party payors, less any payments received and less an estimated allowance for doubtful accounts. Management determines the allowance for doubtful accounts by utilizing a historical experience applied to an aging of accounts. Patient accounts receivable are written-off as bad debt expense when deemed uncollectible. Recoveries of receivables previously written-off as bad debt expense are recorded as a reduction of bad debt expense when received.

Inventories

Inventories are stated at the lower of cost determined by the first-in, first-out method, or net realizable value.

Capital Assets

Capital assets are recorded at cost for purchased assets or at fair market value on the date of any donation. The Ambulance District uses the straight-line method of determining depreciation for financial reporting. The following useful lives are generally used:

Ambulances	5 years
Building improvements	10 years
Buildings	25 – 30 years
Equipment	5 – 10 years

Expenditures for additions, major renewals, and betterments are capitalized and expenditures for maintenance and repairs are charged to operations as incurred.

ALLEN PARISH AMBULANCE SERVICE DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2025 AND 2024

Note 1. Description of Organization and Summary of Significant Accounting Policies (Continued)

Net Position

The Ambulance District classifies net position into three components: invested in capital assets, net of related debt; restricted, and unrestricted. Invested in capital assets, net of related debt consists of capital assets net of accumulated depreciation and reduced by the current balances of any outstanding borrowing used to finance the purchase or construction of those assets. Restricted consists of assets that have constraints that are externally imposed by creditors (such as through debt covenants), grantors, or contributors, or enabling legislation. Unrestricted are remaining net assets that do not meet the definition of invested in capital assets net of related debt or restricted.

Net Patient Revenue

Net patient revenue is reported at the estimated net realizable amounts from patients, third-party payors, and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods, as final settlements are determined.

Grants and Donations

Revenues from grants and donations (including capital contributions of assets) are recognized when all eligibility requirements, including time requirements, are met. Grants and donations may be restricted for either specific operating purposes or for capital purposes. Amounts that are unrestricted or that are restricted to a specific operating purpose are reported as non-operating revenues. Amounts restricted to capital acquisitions are reported after non-operating revenues and expenses.

Operating Revenues and Expenses

The Ambulance District's statement of revenues, expenses and changes in net position distinguishes between operating and non-operating revenues and expenses. Operating revenues result from exchange transactions associated with providing health care services, the Ambulance District's principal activity. Non-exchange revenues, including taxes, grants and contributions received for purposes other than capital asset acquisition, are reported as non-operating revenues. Operating expenses are all expenses incurred to provide health care services, other than financing costs.

Income Taxes

The Ambulance District is a political subdivision and exempt from taxes.

Risk Management

The Ambulance District is exposed to various risks of loss from tort; theft of, damage to, and destruction of assets; business interruption; errors and omissions; employee injuries and illnesses; natural disasters; and employee health. Commercial insurance coverage is purchased for claims arising from such matters.

Restricted Resources

When the Ambulance District has both restricted and unrestricted resources available to finance a particular program, it is the Ambulance District's policy to use restricted resources before unrestricted resources.

ALLEN PARISH AMBULANCE SERVICE DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2025 AND 2024

Note 1. Description of Organization and Summary of Significant Accounting Policies (Continued)

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expenditure) until then. The Ambulance District has one item that meets the criterion for this category, deferrals of pension expense.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Ambulance District has one item that meets the criterion for this category, deferrals of pension expense.

Environmental Matters

The Ambulance District is subject to laws and regulations relating to the protection of the environment. The Ambulance District's policy is to accrue environmental and cleanup related costs of a non-capital nature when it is both probable that a liability has been incurred and when the amount can be reasonably estimated. Although it is not possible to quantify with any degree of certainty the potential financial impact of the Ambulance District's continuing compliance efforts, management believes any future remediation or other compliance related costs will not have a material adverse effect on the financial condition or reported results of operations of the Ambulance District. At December 31, 2025 and 2024, management is not aware of any liability resulting from environmental matters.

Pensions

The Ambulance District is a participating employer in a defined benefit pension plan as described in Note 9. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the plan, and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value within the plan.

Reclassifications

Certain reclassifications have been made in the financial statements at December 31, 2025 and 2024, in order to be consistent with reporting in the current year. These reclassifications had no effect on previously reported retained earnings or net income.

Subscription Assets and Liabilities

The Ambulance District determines if an arrangement is a Subscription-Based Information Technology Arrangement ("SBITA") at inception. Subscription assets, net, current maturities of subscription liabilities, and subscription liabilities, net of current maturities are included in the statements of net position.

ALLEN PARISH AMBULANCE SERVICE DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2025 AND 2024

Note 1. Description of Organization and Summary of Significant Accounting Policies (Continued)

Subscription assets represent the Ambulance District's control of the right to use a subscription-based information technology for the arrangement term, as specified in the contract, in an exchange or exchange-like transaction. Subscription assets are recognized at the commencement date based on initial measurement of the subscription liability, adjusted for payments made to the vendor at or before the commencement of the SBITA term and certain initial direct costs. Subscription assets are amortized in a systematic and rational manner over the shorter of the arrangement term or the useful life of the underlying asset.

Subscription liabilities represent the Ambulance District's obligation to make payments arising from the SBITA. Subscription liabilities are initially recognized at the commencement date based on the present value of expected payments over the lease term, adjusted for SBITA incentives. Subsequently, the subscription liability is reduced by the principal portion of the payments made. Interest expense is recognized ratably over the term of the arrangement.

The Ambulance District has elected to recognize payments for short-term SBITAs with an arrangement term of 12 months or less as expenses as incurred, and these SBITAs are not included as subscription liabilities or right-to-use subscription assets on the statements of net position.

The individual SBITA contracts do not provide information about the discount rate implicit in the arrangement. Therefore, the District has elected to use its incremental borrowing rate to calculate the present value of expected lease payments.

Recently Issued Accounting Pronouncements

The GASB issued Statement No. 103, Financial Reporting Model Improvements. The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. The Statement is effective for fiscal years beginning after June 15, 2025.

The GASB issued Statement No. 104, Disclosure of Certain Capital Assets. The objective of the Statement is to provide users of government financial statements with essential information about certain types of capital assets. The Statement is effective for fiscal years beginning after June 15, 2025.

ALLEN PARISH AMBULANCE SERVICE DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2025 AND 2024

Note 2. Third-Party Payor Arrangements

The Ambulance District participates in the Medicare and Medicaid programs as a provider of ambulance services to program beneficiaries. During the years ended December 31, 2025 and 2024, approximately 54% and 47%, respectively, of the Ambulance District's gross patient services were furnished to Medicare and Medicaid beneficiaries. Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation. The Ambulance District believes that it is in compliance with all applicable laws and regulations and is not aware of any pending or threatened investigations involving allegations of potential wrongdoing. While no such regulatory inquiries have been made, compliance with such laws and regulations can be subject to future government review and interpretation as well as significant regulatory action including fines, penalties, and exclusion from the Medicare and Medicaid programs.

The Ambulance District has agreements with third-party payors that provide for payments to the Ambulance District at amounts different from its established rates. A summary of the payment arrangements with major third-party payors follows:

- **Medicare** – Covered ambulance services are paid based on a fee schedule.
- **Medicaid** – Covered ambulance services are paid based on a fee schedule.

The Ambulance District also has entered into payment arrangements with certain commercial insurance carriers, health maintenance organizations, and preferred provider organizations. The basis for payment to the Ambulance District under these agreements is determined based on a prospectively determined rate per ambulance trip. The Ambulance District also discounts the base rate charge to parish residents excluding residents of Oakdale.

Note 3. Deposits and Investments

The Ambulance District's investing is performed in accordance with investment policies complying with state statutes. Funds may be invested in time deposits, money market investment accounts, or certificates of deposit with financial institutions insured by FDIC; direct obligations of the United States Government and its agencies; commercial paper issued by United States Corporations with a rating of A-1 (Moody's) and P-1 (Standard and Poor's) or higher; and government backed mutual trust funds. At December 31, 2025, the Ambulance District's funds consisted solely of demand deposits and certificates of deposits. These deposits are stated at cost, which approximates market.

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a bank failure, the Ambulance District's deposits may not be returned to it. State law requires collateralization of all deposits with federal depository insurance and other acceptable collateral in specific amounts. The Ambulance District's policy requires that all bank balances be insured or collateralized by the financial institution to pledge their own securities to cover any amount in excess of Federal Depository Insurance Coverage (FDIC). As of December 31, 2025, \$250,000 of the Ambulance District's deposits were secured from risk by FDIC coverage and \$3,166,073 were collateralized by securities pledged. As of December 31, 2024, these deposits were secured from risk by \$250,000 of FDIC coverage and \$3,766,494 by pledged securities. Accordingly, the Ambulance District had no custodial credit risk related to its deposits at December 31, 2025 and 2024.

ALLEN PARISH AMBULANCE SERVICE DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2025 AND 2024

Note 4. Accounts Receivable

Patient accounts receivable reported as current assets by the Ambulance District at December 31, 2025 and 2024 consisted of the following:

<u>Patient Accounts Receivable</u>	<u>2025</u>	<u>2024</u>
Receivable from patients and their insurance carriers	\$ 168,112	\$ 140,317
Receivable from insurance carriers	332,058	393,396
Receivable from Medicare	36,615	50,027
Receivable from Medicaid	103,867	43,476
Total patient accounts receivable	640,652	627,216
Less allowance for uncollectible amounts	(173,772)	(147,895)
Patient accounts receivable, net	\$ <u>466,880</u>	\$ <u>479,321</u>

Note 5. Concentrations of Credit Risk

The Ambulance District grants credit without collateral to its patients, most of whom are local residents and are insured under third-party payor agreements. The mix of receivables from patients and third-party payors at December 31, 2025 and 2024 was as follows:

	<u>2025</u>	<u>2024</u>
Medicare	6 %	8 %
Medicaid	16 %	7 %
Other third-party payors	52 %	63 %
Patients	<u>26 %</u>	<u>22 %</u>
	<u>100 %</u>	<u>100 %</u>

Note 6. Ad Valorem Taxes

The Ambulance District levied 9.52 mills on properties with assessed values of \$65,568,702 and levied 9.52 mills on properties with assessed values of \$62,991,278, net of homestead values, for the years ended December 31, 2025 and 2024, respectively.

The Ambulance District received approximately 26% of its financial support from ad valorem taxes in 2025 and 19% in 2024, respectively. These funds were used to support operations.

The Ambulance District's property tax is levied by the parish on the taxable real property in the Ambulance District in late October of each year. Bills are sent out in November of each year at which time the Ambulance District records the tax revenue, taxes become delinquent on December 31st, and become a lien in the following March.

ALLEN PARISH AMBULANCE SERVICE DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2025 AND 2024

Note 7. Capital Assets

Capital assets additions, retirements, and balances for the years ended December 31, 2025 and 2024 were as follows:

	December 31, <u>2024</u>	<u>Additions</u>	<u>Retirements</u>	December 31, <u>2025</u>
Nondepreciable capital assets				
Land	\$ 24,500	\$ -0-	\$ -0-	\$ 24,500
Construction in progress	<u>1</u>	<u>82,299</u>	<u>-0-</u>	<u>82,300</u>
Total nondepreciable				
Capital assets	\$ <u>24,501</u>	\$ <u>82,299</u>	\$ <u>-0-</u>	\$ <u>106,800</u>
Depreciable capital assets				
Equipment	\$ 716,848	\$ 1,790	\$ -0-	\$ 718,638
Office equipment	38,172	-0-	-0-	38,172
Buildings improvements	85,380	2,010	-0-	87,390
Ambulances	900,467	-0-	-0-	900,467
Vehicles	25,292	-0-	-0-	25,292
Building	<u>1,171,795</u>	<u>74,000</u>	<u>(6,902)</u>	<u>1,238,893</u>
Total historical cost	<u>2,937,954</u>	<u>77,800</u>	<u>(6,902)</u>	<u>3,008,852</u>
Less accumulated depreciation for:				
Equipment	(458,639)	(85,978)	-0-	(544,617)
Office equipment	(32,431)	(1,260)	-0-	(33,691)
Buildings improvements	(36,699)	(7,021)	-0-	(43,720)
Ambulances	(609,126)	(105,626)	-0-	(714,752)
Vehicles	(25,293)	-0-	-0-	(25,293)
Building	<u>(352,918)</u>	<u>(45,642)</u>	<u>6,902</u>	<u>(391,658)</u>
Total accumulated depreciation	<u>(1,515,106)</u>	<u>(245,527)</u>	<u>6,902</u>	<u>(1,753,731)</u>
Total depreciable				
Capital assets, net	\$ <u>1,422,848</u>	\$ <u>(167,727)</u>	\$ <u>-0-</u>	\$ <u>1,255,121</u>

ALLEN PARISH AMBULANCE SERVICE DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2025 AND 2024

Note 7. Capital Assets (Continued)

	December 31, <u>2023</u>	<u>Additions</u>	<u>Retirements</u>	December 31, <u>2024</u>
Nondepreciable capital assets				
Land	\$ 24,500	\$ -0-	\$ -0-	\$ 24,500
Construction in progress	<u>79,206</u>	<u>-0-</u>	<u>(79,205)</u>	<u>1</u>
Total nondepreciable				
Capital assets	\$ <u>103,706</u>	\$ <u>-0-</u>	\$ <u>(79,205)</u>	\$ <u>24,501</u>
Depreciable capital assets				
Equipment	\$ 544,318	\$ 205,025	\$ (32,495)	\$ 716,848
Office equipment	31,872	6,300	-0-	38,172
Buildings improvements	85,380	-0-	-0-	85,380
Ambulances	730,266	170,201	-0-	900,467
Vehicles	25,292	-0-	-0-	25,292
Building	<u>1,171,795</u>	<u>-0-</u>	<u>-0-</u>	<u>1,171,795</u>
Total historical cost	<u>2,588,923</u>	<u>381,526</u>	<u>(32,495)</u>	<u>2,937,954</u>
Less accumulated depreciation for:				
Equipment	(438,783)	(52,351)	32,495	(458,639)
Office equipment	(30,713)	(1,718)	-0-	(32,431)
Buildings improvements	(29,678)	(7,021)	-0-	(36,699)
Ambulances	(517,683)	(91,443)	-0-	(609,126)
Vehicles	(25,293)	-0-	-0-	(25,293)
Building	<u>(304,440)</u>	<u>(48,478)</u>	<u>-0-</u>	<u>(352,918)</u>
Total accumulated depreciation	<u>(1,346,590)</u>	<u>(201,011)</u>	<u>32,495</u>	<u>(1,515,106)</u>
Total depreciable				
Capital assets, net	\$ <u>1,242,333</u>	\$ <u>180,515</u>	\$ <u>-0-</u>	\$ <u>1,422,848</u>

Depreciation expense for the years ended December 31, 2025 and 2024 amounted to \$245,527 and \$201,011, respectively.

ALLEN PARISH AMBULANCE SERVICE DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2025 AND 2024

Note 8. Compensated Absences and Sick Time

Employees of the Ambulance District are entitled to paid days off and sick days depending on length of service. The Ambulance District recognizes a liability for compensated absences for leave time that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years and (3) is more likely than not to be used as time off or settled during or upon separation from employment. Based on the criteria listed, two types of leave for liability recognition for compensated absences are – vacation and sick leave. The liability recognition for compensated absences includes salary related benefits.

Vacation – the Ambulance District's policy permits employees to accumulate earned but unused vacation benefits, which are eligible for payment at the employee's current pay rate upon separation from employment.

Sick Leave – the Ambulance District's policy permits employees to accumulate earned but unused sick leave. All sick leave lapses when employees leave the employment of the Ambulance District and, upon separation from service, no monetary obligation exists. However, a liability for estimated value of sick leave that will be used by employees as time off is included in the liability for compensated absences.

	2024	Net Change	2025	Current Portion
Vacation time	\$ 79,761	\$ 25,373	\$ 105,134	\$ 9,592
Sick time	49,784	3,880	53,664	6,708
	<u>\$ 129,545</u>	<u>\$ 29,253</u>	<u>\$ 158,798</u>	<u>\$ 16,300</u>

Note 9. Retirement

Plan Description. Substantially, all employees of the Allen Parish Ambulance Service District No. 1 are members of the Parochial Employees' Retirement System of Louisiana (the "System"), a cost-sharing, multiple-employer defined benefit pension plan established by Act 205 of the 1952 regular session of the Legislature of the State of Louisiana. The System is administered by a separate board of trustees. The System is to provide retirement benefits to all employees of any parish in the state of Louisiana or any governing body which employs and pays persons serving the parish. It is composed of two plans, Plan A and Plan B, with separate assets and benefit provisions. The System is governed by Louisiana Revised Statutes, Title 11, Sections 1901 – 2025 and other general laws of the State of Louisiana. Benefits are established or amended by State Statute. The System issues a publicly available financial report that can be obtained at persla.org. Employees of the Ambulance District are members of Plan A.

Benefits provided:

Retirement - All permanent employees working at least 28 hours per week are eligible to participate in the System. Under Plan A, employees (who were hired prior to January 1, 2007) and who retire at or after age 65 with at least 7 years of creditable service, who retire at or after age 60 with at least 10 years of creditable service, at or after age 55 with at least 25 years of creditable service, or at any age with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3% of their final average salary for each year of creditable service. For employees hired after January 1, 2007 and who retire at age 55 with at least 30 years of creditable service, at age 62 with 10 years of creditable service or at age 67 with 7 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3%

ALLEN PARISH AMBULANCE SERVICE DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2025 AND 2024

Note 9. Retirement (Continued)

of their final average salary for each year of creditable service. Final average salary is the employee's average salary over the 35, consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above and do not withdraw their employee contributions may retire at the ages specified above and receive the benefit accrued to their date of termination.

Survivor benefits - Upon the death of any member of Plan A with five (5) or more years of creditable service who is not eligible for retirement, the plan provides for benefits for the surviving spouse and minor children, as outlined in the statutes. Any member of Plan A, who is eligible for normal retirement at time of death, the surviving spouse shall receive an automatic Option 2 benefit, as outlined in the statutes. A surviving spouse who is not eligible for Social Security survivorship or retirement benefits, and married not less than twelve (12) months immediately preceding death of the member, shall be paid an Option 2 benefit beginning at age 50.

Cost-of-living adjustments - The Board is authorized to provide a cost-of-living allowance for those retirees who retired prior to July 1973. The adjustment cannot exceed 2% of the retiree's original benefit for each full calendar year since retirement and may only be granted if sufficient funds are available from investment income in excess of normal requirements. In addition, the Board may provide an additional cost of living increase to all retirees and beneficiaries who are over age sixty-five equal to 2% of the member's benefit paid on October 1, 1997, (or the member's retirement date, if later). Also, the Board may provide a cost of living increase up to 2.5% for retirees 62 and older. (LA R.S. 11:1937). Lastly, Act 270 of 2009 provided for further reduced actuarial payments to provide an annual 2.5% cost of living adjustment commencing at age 55.

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

Upon termination of employment prior to or at the end of the specified period of participation, a participant in the DROP may receive, at his option, a lump sum from the account equal to the payments into the account, a true annuity based upon his account balance in that fund, or roll over the fund to an Individual Retirement Account. Interest is accrued on the DROP benefits for the period between the end of DROP participation and the member's retirement date.

For individuals who become eligible to participate in the DROP on or after January 1, 2004, all amounts which remain credited to the individual's subaccount after termination in the Plan 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 this System must agree that the benefits payable to the participant are not the obligations of the state or the System, and that any returns and other rights of the System are the sole liability and responsibility of the participant and the designated provider to which contributions have been made.

ALLEN PARISH AMBULANCE SERVICE DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2025 AND 2024

Note 9. Retirement (Continued)

Disability benefits - For Plan A, a member shall be eligible to retire and receive a disability benefit if they were hired prior to January 1, 2007, and has at least five years of creditable service or if hired after January 1, 2007, has seven years of creditable service, and is not eligible for normal retirement and has been officially certified as disabled by the State Medical Disability Board. Upon retirement caused by disability, a member of Plan A shall be paid a disability benefit equal to the lesser of an amount equal to three percent of the member's final average compensation multiplied by his years of service, not to be less than fifteen, or three percent multiplied by years of service assuming continued service to age sixty.

Contributions - Under Plan A, members are required by state statute to contribute 9.50% of their annual covered salary and the Ambulance District is required to contribute at an actuarially determined rate. For the plan year ended December 31, 2024 and December 31, 2023, the actuarially determined contribution rate was 7.34% and 7.49%, respectively, of the member's compensation for Plan A. The actual contribution rate for the years ending December 31, 2024 and 2023 was 11.50% and 11.50%, respectively, of annual covered payroll for Plan A.

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. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. These additional sources of income are used as additional employer contributions and are considered support from non-contributing entities. The contribution requirements of plan members and the Ambulance District are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year.

The Ambulance District's contributions to the System under Plan A, exclusive of employee portion, for the year ending December 31, 2025 and 2024 were \$180,245 and \$181,562, equal to the required contributions for the year.

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

At December 31, 2025 and 2024, the Ambulance District reported an asset of \$205,261 and a liability of \$172,066, respectively, for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of December 31, 2024 and 2023, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. The Agency's proportion of the net pension liability (asset) was based on a projection of the Ambulance District's required projected share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At December 31, 2024 and 2023, the Ambulance District's proportions were 0.204112% and 0.180605%, which was an increase of 0.023507% and a decrease of 0.000461% from its' proportions measured as of December 31, 2024 and 2023.

ALLEN PARISH AMBULANCE SERVICE DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2025 AND 2024

Note 9. Retirement (Continued)

For the years ended December 31, 2025 and 2024, the Ambulance District recognized a total pension expense of \$171,875 and a total pension expense of \$72,558, respectively. At December 31, 2025 and 2024, the Ambulance District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

December 31, 2025:

	<u>Outflows</u>	<u>Inflows</u>
Deferred resources		
Differences between expected and actual experience	\$ 125,261	\$ (17,843)
Changes in assumptions	-0-	(22,586)
Net difference between projected and actual earnings on pension plan investments	-0-	(135,164)
Changes in proportion and differences between employer contributions and proportionate share of contributions	12	(11,731)
Contributions subsequent to measurement date	<u>180,245</u>	<u>-0-</u>
Ending balance	\$ <u>305,518</u>	\$ <u>(187,324)</u>

December 31, 2024:

	<u>Outflows</u>	<u>Inflows</u>
Deferred resources		
Differences between expected and actual experience	\$ 81,479	\$ (46,186)
Changes in assumptions	-0-	(29,978)
Net difference between projected and actual earnings on pension plan investments	277,310	-0-
Changes in proportion and differences between employer contributions and proportionate share of contributions	1,592	(942)
Contributions subsequent to measurement date	<u>181,562</u>	<u>-0-</u>
Ending balance	\$ <u>541,943</u>	\$ <u>(77,106)</u>

The Ambulance District reported \$180,245 as deferred outflows of resources related to pensions resulting from the Ambulance District's contributions subsequent to the measurement date. This amount will be recognized as a reduction of the net pension liability (asset) in the year ended December 31, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended
December 31

2026	\$ 72,316
2027	\$ 179,640
2028	\$(211,821)
2029	\$(101,587)

ALLEN PARISH AMBULANCE SERVICE DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2025 AND 2024

Note 9. Retirement (Continued)

Actuarial assumptions - The total pension liability in the December 31, 2024 and 2023 actuarial valuation was determined using the following actuarial assumptions applied to all periods included in the measurement:

December 31, 2024:

Inflation	2.30%
Salary increases	4.75% (including inflation)
Investment rate of return	6.40% (net of investment expense)
Actuarial cost method	Entry Age Normal
Expected remaining service lives	4 years

December 31, 2023:

Inflation	2.30%
Salary increases	4.75% (including inflation)
Investment rate of return	6.40% (net of investment expense)
Actuarial cost method	Entry Age Normal
Expected remaining service lives	4 years

At December 31, 2024 and 2023, the mortality rate assumption used was based upon an experience study performed on plan data for the period January 1, 2018 through December 31, 2022. The data was assigned credibility weighting and combined with a standard table to produce current levels of mortality. As a result of this study, mortality for employees was set equal to the Pub-2010 Public Retirement Plans Mortality Table for General Employees multiplied by 130% for males and 125% for females each with generational projection using the MP2021 scale. In addition, mortality for annuitants and beneficiaries was set equal to the Pub-2010 Public Retirement Plans Mortality Table for healthy Retirees multiplied by 130% for males and 125% for females, each with full generational projection using the MP2021 scale. For Disabled annuitants mortality was set equal to the Pub-2010 Public Retirement Plans Mortality Table for General Disabled Retirees multiplied by 130% for males and 125% for females, each with full generational projection using the MP2021 scale.

At December 31, 2024 and 2023, the discount rate used to measure the total pension liability was 6.40% and 6.40%, respectively. 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 (PRSAC). 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 expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine total pension liability.

ALLEN PARISH AMBULANCE SERVICE DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2025 AND 2024

Note 9. Retirement (Continued)

The long-term rate of return on pension plan investments was determined using a triangulation method which integrated the CAPM pricing model (top-down), a treasury yield curve approach (bottom-up) and an equity building block approach (bottom-up). Risk and return correlations are projected on a forward-looking basis in equilibrium, in which best estimates of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These rates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.40% at December 31, 2024 and 2.40% at December 31, 2023 and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return was 7.13% and 7.50% for the year ended December 31, 2024 and 2023, respectively.

Best estimates of arithmetic real rates of return for each major asset class included in the System's target asset allocation as of December 31, 2024 and 2023 are summarized in the following table:

	Target Asset Allocation	Long-Term Expected Portfolio Real Rate of Return
<u>December 31, 2024:</u>		
Asset class:		
Fixed income	37%	1.08%
Equity	47%	2.82%
Alternatives	15%	0.76%
Real assets	<u>1%</u>	<u>0.07%</u>
	<u>100%</u>	<u>4.73%</u>
Inflation		<u>2.40%</u>
Expected arithmetic nominal return		<u>7.13%</u>
	Target Asset Allocation	Long-Term Expected Portfolio Real Rate of Return
<u>December 31, 2023:</u>		
Asset class:		
Fixed income	33%	1.12%
Equity	51%	3.20%
Alternatives	14%	0.67%
Real assets	<u>2%</u>	<u>0.11%</u>
	<u>100%</u>	<u>5.10%</u>
Inflation		<u>2.40%</u>
Expected arithmetic nominal return		<u>7.50%</u>

ALLEN PARISH AMBULANCE SERVICE DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2025 AND 2024

Note 9. Retirement (Continued)

The following presents the net pension liability (asset) of the Ambulance District, calculated using the discount as well as what the Ambulance District's net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate.

December 31, 2024:

	1% Decrease <u>5.40%</u>	Current Discount Rate <u>6.40%</u>	1% Increase <u>7.40%</u>
Employers proportionate share of the net pension liability (asset)	<u>\$1,047,511</u>	<u>\$ (205,261)</u>	<u>\$ (1,256,817)</u>

December 31, 2023:

	1% Decrease <u>5.40%</u>	Current Discount Rate <u>6.40%</u>	1% Increase <u>7.40%</u>
Employers proportionate share of the net pension liability (asset)	<u>\$1,227,725</u>	<u>\$ 172,066</u>	<u>\$ (714,054)</u>

Non-Employer Contributing Entities - Contributions received by a pension plan from non-employer contributing entities that are not in a special funding situation are recorded as revenue by the respective pension plan. The Ambulance District recognizes revenue in an amount equal to their proportionate share of total contributions to the pension plan from these non-employer contributing entities. The Ambulance District recognized revenue as a result of support received from non-employer contributing entities of \$21,314 and \$17,871 for the years ended December 31, 2025 and 2024, respectively.

Payables to the Pension Plan for contractually required employer contributions withheld were \$92,822 as of December 31, 2025 and \$85,633 as of December 31, 2024.

Detailed information about the pension plan's fiduciary net position is available in audited stand-alone issued financial statements for the years ended December 31, 2024 and 2023. Access to the audit report and financials can be found on the System's website: www.persla.org or on the Office of Louisiana Legislative Auditor's official website: www.la.state.la.us.

Note 10. Supplemental Payments (UPL) for Emergency Ambulance Services

Effective 2012, the Ambulance District entered into a Cooperative Endeavor Agreement in order to receive quarterly supplemental payments for qualifying land ambulance and air ambulance providers for emergency transportation rendered. The Louisiana Department of Health (LDH) submitted the Supplemental Payment Program as Medicaid State Plan Amendment TN 11-23 which was approved by the Centers for Medicare and Medicaid Services (CMS) in June of 2012. The purpose of the program was to ensure that adequate and essential medically necessary healthcare services are accessible and available to low-income and/or indigent citizens and medically underserved populations in Louisiana.

ALLEN PARISH AMBULANCE SERVICE DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2025 AND 2024

Note 10. Supplemental Payments (UPL) for Emergency Ambulance Services (Continued)

The Ambulance District agreed to transfer funds to LDH to be used as Medicaid matching funds for the purpose of making supplemental payments for emergency ambulance services and providing the State additional resources to assist in the medical cost to the State. Accordingly, these matching funds are comprised of (1) an amount to be utilized as the "non-federal share" of the supplemental payment for services provided by participating Medicaid Ambulance Providers and (2) the "State Retention Amount" which is fifteen percent (15%) of the "non-federal share" for the State to utilize in delivering healthcare services.

As permitted by State and Federal laws and regulations, LDH agrees to make supplemental Medicaid payments to ambulance providers. The total supplemental payment will include the total amount of the "non-federal share" and the "federal funds" generated by the "non-federal share" payments. The total amount of the supplemental payment is intended to reimburse all or part of the difference between the Medicaid payments otherwise made to these qualifying providers and the Average Commercial Rate for those services.

The Ambulance District made payments to LDH in conjunction with this agreement totaling \$66,905 in 2025 and \$44,602 in 2024. These payments are recognized as an operating expense in the statement of revenues, expenses and changes in net position. LDH made supplemental payments to the Ambulance District totaling \$0- in 2025 and \$135,744 in 2024. These payments are recognized as other operating revenue in the statement of revenues, expenses and changes in net position.

Note 11. Subsequent Events

Management has evaluated subsequent events through the date the financials were available to be issued, June 26, 2026, and determined that no material events occurred that require disclosure. No subsequent events occurring after that date have been evaluated for inclusion in these financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

ALLEN PARISH AMBULANCE SERVICE DISTRICT NO. 1
SCHEDULES OF THE AMBULANCE DISTRICT'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY (ASSET)
YEARS ENDED DECEMBER 31,

Fiscal Year*	Agency's proportion of the net pension liability (asset)	Agency's proportionate share of the net pension liability (asset)	Agency's covered payroll	Agency's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
Louisiana Parochial Employees' Retirement System					
2015	0.173370%	456,360	994,034	45.91%	93.50%
2016	0.169502%	349,092	920,926	37.91%	94.15%
2017	0.153231%	(113,735)	943,157	-12.06%	101.98%
2018	0.156246%	693,476	940,357	73.75%	88.86%
2019	0.163646%	7,704	1,037,644	0.74%	99.90%
2020	0.172254%	(302,033)	1,150,487	-26.25%	104.00%
2021	0.179421%	(845,151)	1,203,795	-70.21%	110.50%
2022	0.181066%	696,885	1,228,238	56.74%	91.70%
2023	0.180605%	172,066	1,308,975	13.15%	98.04%
2024	0.204112%	(205,261)	1,578,799	-13.00%	101.97%

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

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

Changes of Benefit Terms

There were no changes of benefit terms for the ten years ended December 31, 2024.

ALLEN PARISH AMBULANCE SERVICE DISTRICT NO. 1
SCHEDULES OF THE AMBULANCE DISTRICT'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY (ASSET) (CONTINUED)
YEARS ENDED DECEMBER 31,

Changes of Assumptions

Fiscal Year*	Discount Rate	Investment Rate of Return	Inflation Rate	Expected Remaining Service Lives	Projected Salary Increase
2015	7.00%	7.00%	3.00%	4	5.25%
2016	7.00%	7.00%	2.50%	4	5.25%
2017	6.75%	6.75%	2.50%	4	5.25%
2018	6.50%	6.50%	2.40%	4	4.75%
2019	6.50%	6.50%	2.40%	4	4.75%
2020	6.40%	6.40%	2.30%	4	4.75%
2021	6.40%	6.40%	2.30%	4	4.75%
2022	6.40%	6.40%	2.30%	4	4.75%
2023	6.40%	6.40%	2.30%	4	4.75%
2024	6.40%	6.40%	2.30%	4	4.75%

Mortality rates were based on RP-2000 Sex Distinct Tables in 2015 through 2017.

Mortality rates were based on PUB-2010 Public Retirement Plans Mortality Tables 2018 through 2024.

ALLEN PARISH AMBULANCE SERVICE DISTRICT NO. 1
SCHEDULE OF EMPLOYER CONTRIBUTIONS TO PENSION PLAN
YEARS ENDED DECEMBER 31,

Fiscal Year*	(a) Statutorily required contribution	(b) Contributions in relation to the statutorily required contribution	(a-b) Contribution Deficiency (Excess)	Agency's covered payroll	Contributions as a percentage of covered payroll
Louisiana Parochial Employees' Retirement System					
2016	\$ 122,710	\$ 122,710	\$ -0-	\$ 920,926	13.32%
2017	117,895	117,895	-0-	943,157	12.50%
2018	110,462	110,462	-0-	940,357	11.75%
2019	120,645	120,645	-0-	1,037,644	11.63%
2020	140,935	140,935	-0-	1,150,487	12.25%
2021	147,465	147,465	-0-	1,203,795	12.25%
2022	141,308	141,308	-0-	1,228,328	11.50%
2023	150,532	150,532	-0-	1,308,975	11.50%
2024	181,562	181,562	-0-	1,578,799	11.50%
2025	180,245	180,245	-0-	1,638,591	11.00%

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

OTHER SUPPLEMENTARY INFORMATION

ALLEN PARISH AMBULANCE SERVICE DISTRICT NO. 1
SCHEDULES OF BOARD FEES
YEARS ENDED DECEMBER 31,

Board Members:

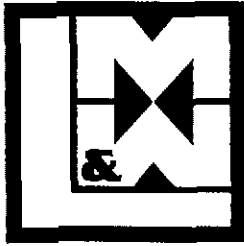
	<u>2025</u>	<u>2024</u>
Fred Ritter	\$ 1,600	\$ 1,100
Sarah Ryland	1,600	750
Lowell Keys	-0-	450
Charles Welch	1,500	1,100
Sharon Grundy	1,300	1,050
Simone Doise	<u>1,600</u>	<u>450</u>
	\$ <u>7,600</u>	\$ <u>4,900</u>

The schedule of compensation paid to the Board of Commissioners is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Legislature. The Ambulance District's Board Members receive \$50 for each day of attendance at meetings of the commission. In 2024, R.S. 33:1261.2(D) was enacted. R.S. 33:1261.2(D) changed the per diem amount to be received by the Board of Commissioners not to exceed one hundred dollars, for each day of their attendance at meetings of the board, up to twenty-four meetings per year.

ALLEN PARISH AMBULANCE SERVICE DISTRICT NO. 1
SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS TO
AGENCY HEAD OR CHIEF EXECUTIVE OFFICER
YEAR ENDED DECEMBER 31, 2025

Agency Head Name: Marna Istre
Position: Executive Director
Time Period: January 1, 2025 to December 31, 2025

Purpose	Amount
Salary	\$ 151,551
Benefits - insurance	11,382
Benefits - retirement	16,062
Benefits - other	-0-
Car allowance	-0-
Vehicle provided by government (amount reported on W-2)	-0-
Per diem	-0-
Reimbursements	-0-
Travel	-0-
Registration fees	-0-
Conference travel	-0-
Continuing professional education fees	-0-
Housing	-0-
Unvouchered expenses	-0-
Special meals	-0-
	<u>\$ 178,995</u>



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

To the Board of Commissioners
Allen Parish Ambulance Service District No. 1
Kinder, 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 Allen Parish Ambulance Service District No. 1 as of and for the years ended December 31, 2025 and 2024, and the related notes to the financial statements, which collectively comprise the Allen Parish Ambulance Service District No. 1's basic financial statements as listed in the table of contents, and have issued our report thereon dated June 26, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Allen Parish Ambulance Service District No. 1's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Allen Parish Ambulance Service District No. 1's internal control. Accordingly, we do not express an opinion on the effectiveness of the Allen Parish Ambulance Service District No. 1's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify certain deficiencies in internal control described in the accompanying schedule of findings and responses as item 2025-001 that we consider to be a material weakness.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Allen Parish Ambulance Service District No. 1'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*.

Allen Parish Ambulance Service District No. 1's Response to Findings

Government Auditing Standards require the auditor to perform limited procedures on Allen Parish Ambulance service District No. 1's response to the findings identified in our audit as described in the accompanying schedule of findings and responses. Allen Parish Ambulance Service District No. 1's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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 District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Ambulance District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

This report is intended solely for the information and use of management, the Board of Commissioners, others within the entity, and the office of the Legislative Auditor of the State of Louisiana and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Lester, Miller & Wells

Certified Public Accountants
Lafayette, Louisiana

June 27, 2026

ALLEN PARISH AMBULANCE SERVICE DISTRICT NO. 1
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED DECEMBER 31, 2025

Section I. Summary of Auditors' Results

Report on Internal Control and Compliance Material to the Financial Statements

Type of auditors' opinion issued: unmodified

Internal control over financial reporting:

- Material weakness(es) identified? ☒ Yes ☐ No
- Control deficiency(ies) identified that we do not consider to be material weaknesses ☐ Yes ☒ None reported

Noncompliance material to financial statements noted ☐ Yes ☒ No

Section II. Financial Statement Findings

2025-001 - Segregation of Duties

Condition: The Ambulance District does not have adequate segregation of duties. A system of internal control procedures contemplates a segregation of duties so that no one individual handles a transaction from its inception to its completion. While we recognize the Ambulance District may not be large enough to permit such procedures, it is important that you be aware of this condition. This condition was also included in the 2024 audit as item 2024-001.

Criteria: An effective system of internal control requires a proper segregation of duties so that no one individual handles a transaction from its inception to its completion.

Cause: The Ambulance District has a limited number of employees within the accounting department.

Effect: Ineffective system of internal controls within the accounting function.

Recommendation: Keeping in mind the limited number of personnel to which duties can be assigned, the Ambulance District should continue to monitor assignment of duties to assure as much segregation of duties and responsibility as possible, and the board should review financial information on a timely basis.

Response: The Ambulance District is aware of and evaluated this problem and concluded that it would not be cost beneficial or possible with the limited resources available to create a segregated accounting environment. However, the Ambulance District will continue to monitor this issue and the board will review financial information on a timely basis.

ALLEN PARISH AMBULANCE SERVICE DISTRICT NO. 1
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED DECEMBER 31, 2025

Section III. Federal Award Findings and Questioned Costs

Not applicable

Section IV. Management Letter

Not applicable

ALLEN PARISH AMBULANCE SERVICE DISTRICT NO. 1
SCHEDULE OF PRIOR YEAR FINDINGS
YEAR ENDED DECEMBER 31, 20245

Section I. Internal Control and Compliance Material to the Financial Statements

2024-001 - Segregation of Duties

Recommendation: Keeping in mind the limited number of personnel to which duties can be assigned; the Ambulance District should continue to monitor assignment of duties to assure as much segregation of duties and responsibility as possible, and the board should review financial information on a timely basis.

Current status: This finding is repeated at 2025-001.

Section II. Internal Control and Compliance Material to the Federal Awards

Not applicable

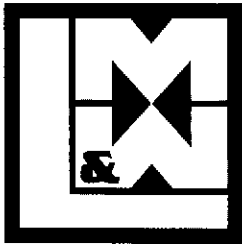
Section III. Management Letter

Not applicable

ALLEN PARISH AMBULANCE
SERVICE DISTRICT NO. 1

AGREED-UPON PROCEDURES
REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2025



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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Board of Commissioners
of Allen Parish Ambulance Service District No. 1
and the Louisiana Legislative Auditor

We have performed the procedures enumerated below, which were agreed to by the Board of Commissioners of Allen Parish Ambulance Service District No. 1 (the District) and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2025 through December 31, 2025. The District's management is responsible for those C/C areas identified in the SAUPs.

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

The procedures and associated findings are as follows:

1) *Written Policies and Procedures*

- A. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:
 - i. **Budgeting**, including preparing, adopting, monitoring, and amending the budget.
 - ii. **Purchasing**, including (1) how purchases are initiated, (2) how vendors are added to the vendor list, (3) the preparation and approval process of purchase requisitions and purchase orders, (4) controls to ensure compliance with the Public Bid Law, and (5) documentation required to be maintained for all bids and price quotes.
 - iii. **Disbursements**, including processing, reviewing, and approving.
 - iv. **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

- v. **Payroll/Personnel**, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee rates of pay or approval and maintenance of pay rate schedules.
- vi. **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- vii. **Travel and Expense Reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- viii. **Credit Cards (and debit cards, fuel cards, purchase cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
- ix. **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.
- x. **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- xi. **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.
- xii. **Prevention of Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

Exceptions: No exceptions were found as a result of these procedures.

2) Board or Finance Committee

- A. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and
 - i. Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
 - ii. For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds. *Alternatively, for those entities reporting on the not-for-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*

- iii. For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.
- iv. Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

Exceptions: No exceptions were found as a result of these procedures.

3) Bank Reconciliations

- A. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:
 - i. Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);
 - ii. Bank reconciliations include written evidence that a member of management or a board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation within 1 month of the date the reconciliation was prepared (e.g., initialed and dated, electronically logged); and
 - iii. Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Exceptions: No exceptions were found as a result of these procedures.

4) Collections (excluding electronic funds transfers)

- A. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).
- B. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (e.g., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if there are no written policies or procedures, then inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that
 - i. Employees responsible for cash collections do not share cash drawers/registers;

- ii. Each employee responsible for collecting cash is not also responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit;
 - iii. Each employee responsible for collecting cash is not also responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit; and
 - iv. The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or custodial fund additions, is (are) not also responsible for collecting cash, unless another employee/official verifies the reconciliation.
- C. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe that the bond or insurance policy for theft was in force during the fiscal period.
- D. Randomly select two deposit dates for each of the 5 bank accounts selected for Bank Reconciliations procedure #3A (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternatively, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:
- i. Observe that receipts are sequentially pre-numbered.
 - ii. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - iii. Trace the deposit slip total to the actual deposit per the bank statement.
 - iv. Observe 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 and the cash is stored securely in a locked safe or drawer).
 - v. Trace the actual deposit per the bank statement to the general ledger.

Exceptions: No exceptions were found as a result of these procedures.

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

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

- iii. The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files;
 - iv. Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments; and
 - v. Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.
- C. For each location selected under procedure #5A above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction, and
- i. Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation indicates that deliverables included on the invoice were received by the entity, and
 - ii. Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under procedure #5B above, as applicable.
- D. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3A, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy. Note: If no electronic payments were made from the main operating account during the month selected the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.

Exceptions: No exceptions were found as a result of these procedures.

6) Credit Cards/Debit Cards/Fuel Cards/Purchase Cards (Cards)

- A. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and purchase cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.
- B. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement). Obtain supporting documentation, and
 - i. Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved) by someone other than the authorized card holder and
 - ii. Observe that finance charges and late fees were not assessed on the selected statements.

- C. Using the monthly statements or combined statements selected under procedure #6B above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (e.g., each card should have 10 transactions subject to inspection). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and observe whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.
- D. Using the list of terminated employees obtained in Payroll and Personnel procedure #9C, identify those individuals who had access to cards and randomly select five 5 terminated employees (or all terminated employees with card access if less than 5) from this population. Observe evidence that the cards have been deactivated for these terminated employees. In cases where a card is shared by multiple users, obtain evidence that the terminated employees' authorization has been removed.

Exceptions: No exceptions were found as a result of these procedures.

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

- A. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements and obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected
 - i. If reimbursed using a per diem, observe that the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov);
 - ii. If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased;
 - iii. Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by Written Policies and Procedures procedure #1A(vii); and
 - iv. Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Exceptions: No exceptions were found as a result of these procedures.

8) Contracts

- A. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternatively, the practitioner may use an equivalent selection source, such as an active vendor list.*

Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and

- i. Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law;
- ii. Observe whether the contract was approved by the governing body/board, if required by policy or law;
- iii. If the contract was amended (e.g., change order), observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, the documented approval); and
- iv. Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

Exceptions: No exceptions were found as a result of these procedures.

9) Payroll and Personnel

- A. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
- B. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under procedure #9A above, obtain attendance records and leave documentation for the pay period, and
 - i. Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory);
 - ii. Observe whether supervisors approved the attendance and leave of the selected employees or officials;
 - iii. Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records; and
 - iv. Observe the rate paid to the employees or officials agrees to the authorized salary/pay rate found within the personnel file.
- C. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials and obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee's or official's cumulative leave records, agree the pay rates to the employee's or official's authorized pay rates in the employee's or official's personnel files, and agree the termination payment to entity policy.
- D. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments,

workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

Exceptions: No exceptions were found as a result of these procedures.

10) Ethics

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

Exceptions: No exceptions were found as a result of these procedures.

11) Debt Service

- A. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each debt instrument issued as required by Article VII, Section 8 of the Louisiana Constitution.
- B. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

Exceptions: No exceptions were found as a result of these procedures.

12) Fraud Notice

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

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

Exceptions: No exceptions were found as a result of these procedures.

13) Information Technology Disaster Recovery/Business Continuity

- A. Perform the following procedures, verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."
- i. Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if there is no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government's local server or network, and (c) was encrypted.
 - ii. Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if there is no written documentation, then inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.
 - iii. Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.
- B. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #9C. Observe evidence that the selected terminated employees have been removed or disabled from the network.
- C. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain cybersecurity training documentation from management, and observe that the documentation demonstrates that the following employees/officials with access to the agency's information technology assets have completed cybersecurity training as required by R.S. 42:1267. The requirements are as follows:
- i. If hired before June 9, 2020 – completed the training, or
 - ii. If hired on or after June 9, 2020 – completed the training within 30 days of initial service or employment.

Exceptions: We performed the procedures and discussed the results with management.

14) Prevention of Sexual Harassment

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain sexual harassment training documentation from management, and observe that the documentation

demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.

- B. Observe that the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).
- C. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe that the report includes the applicable requirements of R.S. 42:344:
 - i. Number and percentage of public servants in the agency who have completed the training requirements;
 - ii. Number of sexual harassment complaints received by the agency;
 - iii. Number of complaints which resulted in a finding that sexual harassment occurred;
 - iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
 - v. Amount of time it took to resolve each complaint.

Exceptions: No exceptions were found as a result of these procedures.

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

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

This report is intended solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.



Certified Public Accountants
Lafayette, Louisiana

June 26, 2026