

**Ambulance Service District
No. 1 of Lafourche Parish
Cut Off, Louisiana**

Annual Financial Report
Years Ended December 31, 2025
and December 31, 2024

**Ambulance Service District
No. 1 of Lafourche Parish
Annual Financial Report
Years Ended December 31, 2025 and 2024**

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INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Ambulance Service District No. 1 of Lafourche Parish
Cut Off, Louisiana

Report on the Financial Statements

Opinion

We have audited the accompanying financial statements of the business-type activities of Ambulance Service District No. 1 of Lafourche Parish (the District), a component unit of the Lafourche Parish Government, which comprise the statements of net position as of and for the years ended December 31, 2025 and 2024, and the related statements of revenues, expenditures and changes in net position, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the District as of December 31, 2025 and 2024, and the respective changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

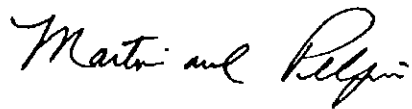
Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 5 through 9 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's basic financial statements. The Schedule of Compensation, Benefits, and Other Payments to the District Administrator on page 28 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 Schedule of Compensation, Benefits, and Other Payments to the District Administrator 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 May 9, 2026, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

A handwritten signature in cursive script, appearing to read "Martin and Kelly".

Houma, Louisiana
May 9, 2026

MANAGEMENT'S DISCUSSION AND ANALYSIS

**Ambulance Service District
No. 1 of Lafourche Parish
Cut Off, Louisiana**
Management's Discussion and Analysis
Year Ended December 31, 2025

This discussion and analysis of Ambulance Service District No. 1 of Lafourche Parish's financial performance provides an overview of the financial activities as of and for the fiscal year ended December 31, 2025. Please read it in conjunction with the financial statements and the accompanying notes to the financial statements.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of a series of financial statements. The basic financial statements of the District report information about the District using Governmental Accounting Standards Board (GASB) accounting principles. The Statement of Net Position includes the District's assets and liabilities and provide information about the nature and amounts of investments in resources (assets) and the obligations of District creditors (liabilities). It also provides the basis for computing rate of return, evaluating the capital structure of the District and assessing the liquidity and financial flexibility of the District. All of the current year's revenues and expenses are accounted for in the Statement of Revenues, Expenses and Changes in Net Position. This statement measures the success of the District's operations over the past two years and can be used to determine whether the District has been able to recover all of its costs through its patient service revenue and other revenue sources. The final required financial statement is the Statement of Cash Flows. The primary purpose of this statement is to provide information about the Ambulance District's cash from operations, investing and financing activities, and to provide answers to certain questions such as where did cash come from, what was cash used for, and what was the change in cash balance during the reporting period.

Our auditor has provided reasonable assurance in his independent auditor's report that the financial statements are fairly stated. With regards to the Supplementary Information, the auditor is providing varying degrees of assurance. A user of this report should read the Independent Auditor's Report carefully to ascertain the level of assurance being provided for each of the parts in the Annual Financial Report.

FINANCIAL HIGHLIGHTS

Our financial statements provide these insights into the results of this year's operations:

- At December 31, 2025, the District had total assets of \$7,187,681 and total liabilities of \$471,308, resulting in a net position of \$6,716,373.
- Net position decreased during the year by \$1,573,054, or 19.0%.
- During the year, the District had expenses of \$5,698,180 that were \$1,573,054 more than the \$4,125,126 generated in patient service revenues, other operating revenues, and nonoperating revenues.

**Ambulance Service District
No. 1 of Lafourche Parish
Cut Off, Louisiana**
Management's Discussion and Analysis
Year Ended December 31, 2025

The Statement of Net Position and the Statement of Revenues, Expenses and Changes in Net Position report information about the District's activities. These two statements report the net position of the District and changes in them. Increases or decreases in the District's net position are one indicator of whether its financial health is improving or deteriorating. However, other non-financial factors such as changes in economic conditions, population growth, and new or changed government legislation are other indicators which are not captured by these statements.

FINANCIAL ANALYSIS OF THE DISTRICT

A summary of the District's Statement of Net Position is presented below:

	<u>2025</u>	<u>2024</u>	<u>Dollar Change</u>	<u>Percent Change</u>
Current and other assets	\$ 4,950,215	\$ 6,709,302	\$(1,759,087)	-26.2%
Capital assets, net	<u>2,237,466</u>	<u>1,930,580</u>	<u>306,886</u>	<u>15.9%</u>
Total assets	<u>7,187,681</u>	<u>8,639,882</u>	<u>(1,452,201)</u>	<u>-16.8%</u>
Accounts payable	190,730	108,962	81,768	75.0%
Compensated absences	264,367	238,018	26,349	11.1%
Payroll liabilities payable	<u>16,211</u>	<u>3,475</u>	<u>12,736</u>	<u>366.5%</u>
Total liabilities	<u>471,308</u>	<u>350,455</u>	<u>120,853</u>	<u>34.5%</u>
Net investment in capital assets	2,237,466	1,930,580	306,886	15.9%
Unrestricted	<u>4,478,907</u>	<u>6,358,847</u>	<u>(1,879,940)</u>	<u>-29.6%</u>
Total net position	<u>\$ 6,716,373</u>	<u>\$ 8,289,427</u>	<u>\$(1,573,054)</u>	<u>-19.0%</u>

The District's net position decreased as a result of this year's operations. Unrestricted net position—the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements—decreased by \$1,879,940. The balance in net position represents the accumulated results of all past years' operations. The majority of this decrease is explained by the District's \$1,931,206 decrease in cash and cash equivalents (43.5%).

**Ambulance Service District
No. 1 of Lafourche Parish
Cut Off, Louisiana**
Management's Discussion and Analysis
Year Ended December 31, 2025

FINANCIAL ANALYSIS OF THE DISTRICT (Cont.)

A summary of the District's Statement of Revenues, Expenses and Changes in Position is presented below:

	<u>2025</u>	<u>2024</u>	<u>Dollar Change</u>	<u>Percent Change</u>
Patient service				
Revenue	\$5,784,179	\$5,093,811	\$ 690,368	13.6%
Bad debts	<u>(3,443,848)</u>	<u>(2,602,199)</u>	<u>(841,649)</u>	<u>32.3%</u>
Net patient service revenue	2,340,331	2,491,612	(151,281)	-6.1%
Other operating revenue	61,056	47,106	13,950	29.6%
Nonoperating revenue	<u>1,723,739</u>	<u>1,489,608</u>	<u>234,131</u>	<u>15.7%</u>
Total revenues	<u>4,125,126</u>	<u>4,028,326</u>	<u>96,800</u>	<u>2.4%</u>
Culture and recreation	5,355,719	4,959,285	396,434	8.0%
Depreciation	<u>342,461</u>	<u>261,853</u>	<u>80,608</u>	<u>30.8%</u>
Total expenses	<u>5,698,180</u>	<u>5,221,138</u>	<u>477,042</u>	<u>9.1%</u>
Change in net position	<u>(1,573,054)</u>	<u>(1,192,812)</u>	<u>(380,242)</u>	<u>-31.9%</u>
Net position:				
Beginning of the year	<u>8,289,427</u>	<u>9,482,239</u>	<u>(1,192,812)</u>	<u>-12.6%</u>
End of the year	<u>\$6,716,373</u>	<u>\$8,289,427</u>	<u>\$(1,573,054)</u>	<u>-19.0%</u>

Total revenues increased by \$96,800 from the prior year. The increase in revenues is primarily due to the District receiving \$200,950 in insurance proceeds related to a claim filed after one of its ambulance units was totaled in an accident, and a \$151,281 decrease in net patient service revenues. Total expenditures related to the District's operations increased by \$477,042.

Operating Revenues

During fiscal year 2025, the Ambulance District derived the majority of its total operating revenue from patient service revenue. Patient service revenue includes revenue from the Medicare and Medicaid programs and patients, or their third-party payors, who receive ambulance care. As can be seen in the next table, the number of ambulance trips increased 4.1% from the previous year while gross charges billed increased 13.6%. There was an increase of 32.3% in the bad debts experienced.

**Ambulance Service District
No. 1 of Lafourche Parish
Cut Off, Louisiana**
Management's Discussion and Analysis
Year Ended December 31, 2025

FINANCIAL ANALYSIS OF THE DISTRICT (Cont.)

	<u>2025</u>	<u>2024</u>
Gross Charges Billed	\$ 5,784,179	\$ 5,093,811
Number of Trips	3,826	3,676

Other Revenues

Other revenues includes revenues from a cooperative endeavor agreement with the Tenth Ward Veterans Memorial District. The details of this agreement are included in the footnotes to the financial statements.

Non-operating Revenues

The majority of non-operating revenue is from ad valorem taxes received by the District. The district received ad valorem taxes of \$1,334,807 in 2025 and \$1,274,179 in 2024, net of assessor's fees of \$41,921 in 2025 and \$40,884 in 2024. The District also had LWCC dividend income of \$67,077 in 2025 and \$96,548 in 2024 and investment income of \$59,902 in 2025 and \$100,707 in 2024.

Operating Expenses

Expenses of the District increased by \$477,042 or 9.1%. The majority of this increase is attributable to a \$200,374 increase in salaries, an \$110,121 increase in medical insurance, and an \$80,608 increase in depreciation.

CAPITAL ASSETS

Capital assets include land, buildings, vehicles, furniture and equipment, medical equipment, communication equipment, and other equipment recorded at historical cost of \$5,157,926. Accumulated depreciation as of December 31, 2025 is \$2,920,460 resulting in an ending book balance of \$2,237,466. Depreciation expense of \$342,461 was recorded for the year.

More detailed information about the capital assets is presented in the notes to financial statements. However, a summary of current and prior year capital assets follows:

**Ambulance Service District
No. 1 of Lafourche Parish
Cut Off, Louisiana**
Management's Discussion and Analysis
Year Ended December 31, 2025

	<u>2025</u>	<u>2024</u>
Land	\$ 172,890	\$ 172,890
Buildings	1,565,187	1,565,187
Vehicles	1,913,592	1,524,845
Furniture and equipment	141,031	140,411
Medical equipment	1,008,177	911,082
Communication equipment	247,084	247,084
Other equipment	<u>109,965</u>	<u>109,965</u>
Total capital assets	5,157,926	4,671,464
Less accumulated depreciation	<u>(2,920,460)</u>	<u>(2,740,884)</u>
Total capital assets, net	<u>\$ 2,237,466</u>	<u>\$ 1,930,580</u>

CONTACTING FINANCIAL MANAGEMENT

This financial report is designed to provide readers with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Ms. Michelle G. Pierce, District Administrator:

Ambulance Service District No. 1 of Lafourche Parish
17078 West Main Street
Cut Off, LA 70345
Phone number (985) 632-7192

FINANCIAL STATEMENTS

**Ambulance Service District
No. 1 of Lafourche Parish
Cut Off, Louisiana**
Statements of Net Position
December 31, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Assets		
Cash and cash equivalents	\$ 2,513,020	\$ 4,444,226
Investments	301,104	285,263
Patients accounts receivable, less allowance for doubtful accounts	463,834	411,556
Ad valorem taxes receivable	1,285,390	1,274,179
Other receivables	7,947	7,947
Prepaid insurance	378,615	285,826
Total Current Assets	<u>4,949,910</u>	<u>6,708,997</u>
Capital assets		
Non-depreciable	172,890	172,890
Depreciable, net of accumulated depreciation	2,064,576	1,757,690
Total Capital Assets	<u>2,237,466</u>	<u>1,930,580</u>
Other assets	305	305
Total Assets	<u>7,187,681</u>	<u>8,639,882</u>
Liabilities		
Accounts payable	190,730	108,962
Compensated absences	264,367	238,018
Accrued payroll	16,211	3,475
Total Liabilities	<u>471,308</u>	<u>350,455</u>
Net Position		
Net investment in capital assets	2,237,466	1,930,580
Unrestricted	4,478,907	6,358,847
Total Net Position	<u>\$ 6,716,373</u>	<u>\$ 8,289,427</u>

See accompanying notes.

**Ambulance Service District
No. 1 of Lafourche Parish
Cut Off, Louisiana**
Statements of Revenues, Expenditures,
and Changes in Net Position
Years Ended December 31, 2025 and 2024

	<u>2025</u>	<u>2024</u>
REVENUES		
Patient service		
Revenue	\$ 5,784,179	\$ 5,093,811
Bad debts	<u>(3,443,848)</u>	<u>(2,602,199)</u>
Net patient service revenue	2,340,331	2,491,612
Other operating revenue	<u>61,056</u>	<u>47,106</u>
Total revenues	<u>2,401,387</u>	<u>2,538,718</u>
EXPENDITURES		
Local public health and safety		
Salaries	2,973,388	2,773,014
Insurance - general	559,577	578,890
Contractual services	462,016	459,516
Insurance - medical	452,205	342,084
Payroll taxes and retirement	293,601	275,165
Depreciation	342,461	261,853
Repairs and maintenance	200,661	206,183
Miscellaneous expense	115,332	13,358
Medical supplies	85,769	92,622
Fuel	78,692	86,523
Utilities	43,120	42,884
Office and general supplies	25,451	31,776
Telephone	14,768	12,690
Uniforms	13,168	11,724
Professional fees	16,314	9,950
Tower expense	9,000	9,000
Postage	5,937	7,186
Rent	<u>6,720</u>	<u>6,720</u>
Total operating expenses	<u>5,698,180</u>	<u>5,221,138</u>
Operating loss	<u>(3,296,793)</u>	<u>(2,682,420)</u>

See accompanying notes.

**Ambulance Service District
No. 1 of Lafourche Parish
Cut Off, Louisiana**
Statements of Revenues, Expenditures,
and Changes in Net Position (Cont.)
Years Ended December 31, 2025 and 2024

	<u>2025</u>	<u>2024</u>
NONOPERATING REVENUES		
Ad valorem taxes, net of pension deduction	1,334,807	1,274,179
Insurance claim	200,950	-
LWCC dividend	67,077	96,548
Investment income	59,902	100,707
Federal grant revenue	37,843	-
Other income	12,687	7,658
State revenue sharing	<u>10,473</u>	<u>10,516</u>
Total nonoperating revenues	<u>1,723,739</u>	<u>1,489,608</u>
Change in net position	(1,573,054)	(1,192,812)
NET POSITION		
Beginning of year	<u>8,289,427</u>	<u>9,482,239</u>
End of year	<u>\$ 6,716,373</u>	<u>\$ 8,289,427</u>

See accompanying notes.

**Ambulance Service District
No. 1 of Lafourche Parish
Cut Off, Louisiana
Statements of Cash Flows
Years Ended December 31, 2025 and 2024**

	<u>2025</u>	<u>2024</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from patient and third-party payors	\$ 2,428,873	\$ 2,590,567
Cash payments to employees for services and benefits	(3,227,904)	(3,032,304)
Cash payments to suppliers for goods and services	(2,099,751)	(1,847,920)
NET CASH USED IN OPERATING ACTIVITIES	<u>(2,898,782)</u>	<u>(2,289,657)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of investments, net	(15,841)	(19,636)
Investment income	59,902	100,707
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>44,061</u>	<u>81,071</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Acquisition of capital assets	(649,347)	(189,124)
Proceeds from sale of capital assets	-	7,183
NET CASH USED IN CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(649,347)</u>	<u>(181,941)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:		
Ad valorem taxes	1,323,596	1,216,021
Insurance claim	200,950	-
Federal grant revenue	37,843	-
State revenue sharing	10,473	10,516
NET CASH PROVIDED BY NON-CAPITAL FINANCING ACTIVITIES	<u>1,572,862</u>	<u>1,226,537</u>
NET DECREASE IN CASH	(1,931,206)	(1,163,990)
CASH - BEGINNING OF YEAR	<u>4,444,226</u>	<u>5,608,216</u>
CASH - END OF YEAR	<u>\$ 2,513,020</u>	<u>\$ 4,444,226</u>

See accompanying notes.

Ambulance Service District
No. 1 of Lafourche Parish
Cut Off, Louisiana
 Statements of Cash Flows (Cont.)
 Years Ended December 31, 2025 and 2024

	<u>2025</u>	<u>2024</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES		
Operating loss	\$ (3,296,793)	\$ (2,682,420)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation expense	342,461	261,853
Provision for uncollectible accounts	3,443,848	2,602,199
Gain on disposal of assets	-	1,000
Increase in:		
Receivables	(3,416,362)	(2,551,350)
Prepaid insurance	(92,789)	(18,178)
Increase in:		
Accounts payable	81,768	81,364
Compensated absences	26,349	15,189
Accrued payroll	<u>12,736</u>	<u>686</u>
NET CASH USED IN OPERATING ACTIVITIES	<u>\$ (2,898,782)</u>	<u>\$ (2,289,657)</u>

See accompanying notes.

**Ambulance Service District
No. 1 of Lafourche Parish
Cut Off, Louisiana**
Notes to Financial Statements
Years Ended December 31, 2025 and 2024

Ambulance Service District No. 1 of Lafourche Parish (the District) was created by the Police Jury of the Parish of Lafourche on November 22, 1978. The District serves the area of Lafourche Parish served by Hospital Service District No. 1 of Lafourche Parish (Tenth Ward of Lafourche Parish). The District was created to own and operate ambulances for the care and transportation of persons suffering from illness, injury or disabilities requiring ambulance care.

The financial statements of the District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of significant accounting policies:

Note 1 – Summary of Significant Accounting Policies

A. Financial Reporting Entity

Because the Lafourche Parish Council appoints all members of the District's governing board, it has the ability to impose its will on the District and, therefore the District was determined to be a component unit of Lafourche Parish. The accompanying basic financial statements present information only on the proprietary fund maintained by Ambulance Service District No. 1 of Lafourche Parish and do not present information on Lafourche Parish, the general government services provided by that government unit, or the other governmental units that comprise the financial reporting entity.

The District has reviewed all of its activities and determined that there are no potential component units which should be included in the financial statements.

B. Basis of Presentation

GASB Statements establish standards for external financial reporting for all state and local governmental entities. For enterprise funds such as the District, this includes a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Net Position, and a Statement of Cash Flows. It requires the classification of net position into three components – net investment in capital assets; restricted; and unrestricted. These classifications are defined as follows:

Net investment in capital assets – This component of net position consists of capital assets, net of accumulated depreciation and reduced by the balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds are not included in the calculation of net investment in capital assets. Rather, that portion of the debt is included in the same net position component as the unspent proceeds.

**Ambulance Service District
No. 1 of Lafourche Parish
Cut Off, Louisiana**
Notes to Financial Statements
Years Ended December 31, 2025 and 2024

Note 1 – Summary of Significant Accounting Policies (Cont.)

Restricted – This component of net position consists of constraints placed on net position use through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

Unrestricted – This component of net position consists of net position that does not meet the definition of net investment in capital assets or restricted.

The basic financial statements of the District are prepared on the accrual basis of accounting, whereby revenues are recognized when earned and expenses are recognized when incurred.

When an expense is incurred for purposes for which both restricted and unrestricted net position is available, the District considers restricted funds to have been spent first.

C. Fund Types

The District is organized and operated on a fund basis whereby a self-balancing set of accounts (Enterprise Fund) is maintained that comprises its assets, liabilities, net position, revenues, and expenses. The operations are financed and operated in a manner similar to a private business enterprise, where the intent of the governing body is that the cost (expenses, including depreciation) of providing services on a continuing basis be financed primarily through user charges.

D. Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The Enterprise Fund is accounted for using the accrual basis of accounting. Revenues are recognized when they are earned, and expenses are recorded when they are incurred.

Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

E. Cash and Cash Equivalents

The District considers all highly liquid investments purchased with an initial maturity of ninety days or less to be cash equivalents.

F. Investments

Investments are limited by Louisiana Revised Statute (R.S.) 33:2955. Investments during the year consisted of amounts deposited in a governmental mutual fund.

**Ambulance Service District
No. 1 of Lafourche Parish
Cut Off, Louisiana**
Notes to Financial Statements
Years Ended December 31, 2025 and 2024

Note 1 – Summary of Significant Accounting Policies (Cont.)

G. Patient Accounts Receivables / Allowance for Doubtful Accounts

Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors and others for services rendered. The District provides care to patients even though they may lack adequate insurance or may be covered under contractual arrangements that do not pay full charges. As a result, the District is exposed to certain credit risks. The district manages such risk by regularly reviewing its accounts and contracts, and by providing appropriate allowances.

Trade receivables are carried at original invoice amount less an estimate made for doubtful receivables based on a review of all outstanding amounts on a timely basis. Management estimates the allowance for doubtful accounts by identifying troubled accounts and by using historical experience applied to an aging of accounts. Trade receivables are written off when deemed uncollectible. Recoveries of trade receivables previously written off are recorded when received.

The allowance for doubtful accounts is maintained at an amount which presents accounts receivable at their realizable value. Receivables are written off against the allowance for doubtful accounts in the year the accounts are determined to be uncollectible.

H. Capital Assets

Capital assets of the District, excluding donated property and equipment, are valued at cost. All donated property and equipment are recorded at acquisition value on the date of the donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are expensed as incurred. Major replacements and improvements are capitalized at cost. Depreciation of all exhaustible capital assets is charged as an expense against operations. Capital assets reported on the Statement of Net Position are net of accumulated depreciation. Depreciation is computed using the straight-line method over the estimated useful life of the individual asset. Estimated useful lives of capital assets range from 5 to 39 years as shown in the table below:

<u>Category</u>	<u>Life</u>
Buildings	15-39 years
Vehicles	5 years
Furniture and equipment	5 - 8 years
Medical equipment	5 - 8 years
Communication equipment	5 - 8 years
Other equipment	5 - 8 years

**Ambulance Service District
No. 1 of Lafourche Parish
Cut Off, Louisiana**
Notes to Financial Statements
Years Ended December 31, 2025 and 2024

Note 1 – Summary of Significant Accounting Policies (Cont.)

I. Compensated Absences

The District's policies regarding vacation and sick leave permits employees to accumulate earned but unused vacation and sick leave. The liability for these compensated absences is recorded as an obligation on the Statement of Net Position.

Employees of the District can earn varying amounts of vacation and sick leave depending on their length of employment. After one year of service, the employee will receive 1 week of vacation and 1 week of sick leave. For two to four years of service, the employee receives 2 weeks of vacation and 2 weeks of sick leave. After five years of service, the employee receives 3 weeks of vacation and 3 weeks of sick leave.

Vacation leave must be used within twelve months or it is forfeited. Sick leave can be banked up to 160 hours. Sick leave in excess of 160 hours is paid to employees on their anniversary date. Sick leave is paid to employees upon termination of employment.

The liability for compensated absences is measured using the employees' current pay rates at December 31, 2025 and 2024 and estimates of future leave based on historical data and current employment policies.

As of December 31, 2025, the District accrued \$264,367 of compensated absences payable, an increase of \$26,349 from the December 31, 2024 amount due of \$238,018.

J. Estimates

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

K. Recent Pronouncement

The following is a summary of accounting standards adopted by the Governmental Accounting Standards Board (GASB) that have been or are scheduled to be implemented in the future that may affect the District's financial report:

GASB Statement No. 102, *Certain Risk Disclosures*. The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. This standard is effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter. The District has implemented the standard, resulting in no material impact on its financial statements.

**Ambulance Service District
No. 1 of Lafourche Parish
Cut Off, Louisiana**
Notes to Financial Statements
Years Ended December 31, 2025 and 2024

Note 1 – Summary of Significant Accounting Policies (Cont.)

GASB 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. This Statement also addresses certain application issues. This standard is effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. The effect of implementation on the District's financial statements has not yet been determined.

GASB Statement No. 104, *Disclosure of Certain Capital Assets*. The objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets. This standard is effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. The effect of implementation on the District's financial statements has not yet been determined.

GASB Statement No. 105, *Subsequent Events*. The objective of this Statement is to improve the financial reporting requirements for subsequent events, thereby enhancing consistency in their application and better meeting the information needs of financial statement users. This standard is effective for fiscal years beginning after June 15, 2026, and all reporting periods thereafter. The effect of implementation on the District's financial statements has not yet been determined.

Note 2 – Deposits and Investments

Under state law, the Commission may deposit funds with a fiscal agent bank organized under the laws of the State of Louisiana, the laws of another State of the Union, or the laws of the United States Treasury.

State law requires that deposits (cash and certificates of deposits) of all political subdivisions be fully collateralized at all times. Acceptable collateralization includes FDIC insurance and the market value of securities purchased and pledged to the political subdivision. Obligations of the United States, the State of Louisiana, and certain political subdivisions are allowed as security for deposits. Obligations furnished as security must be held by the political subdivision or with an unaffiliated bank or trust company for the account of the political subdivisions. The December 31, 2025 balances of deposits are as follows:

	<u>Bank Balance</u>	<u>Reported Amount</u>
Interest-bearing demand deposits	\$ 304,279	\$ 282,537
Money market accounts	<u>2,230,483</u>	<u>2,230,483</u>
	<u>\$ 2,534,762</u>	<u>\$ 2,513,020</u>

**Ambulance Service District
No. 1 of Lafourche Parish
Cut Off, Louisiana**
Notes to Financial Statements
Years Ended December 31, 2025 and 2024

Note 2 – Deposits and Investments (Cont.)

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District has a written policy for custodial credit risk. As of December 31, 2025, \$1,980,483 of the District's bank balances were exposed to credit risk. These deposits were uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the District's name.

Cash was adequately collateralized in accordance with State law by securities held by unaffiliated banks for the accounts of the District. The Governmental Accounting Standards Board (GASB), which promulgates the standards for accounting and financial reporting for state and local governments, considers these securities subject to custodial credit risk. Even though the pledged securities are considered subject to custodial credit risk under the provisions of GASB Statement 40, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within ten days of being notified by the depositor that the fiscal agent has failed to pay deposited funds upon demand.

Investments:

State statutes authorize the District to invest in obligations of the U.S. Treasury, agencies and instrumentalities; guaranteed investment contracts and investment grade (A-1/P-1) commercial paper of domestic corporations; repurchase agreements; and the Louisiana Asset Management Pool (LAMP).

As a means of limiting its exposure to fair value losses arising from interest rates, the District's investment policy limits investments to securities with less than six months from the date of purchase unless the investment is matched to a specific cash flow.

Credit risk is defined as the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The District's investment policy requires the application of the prudent-person rule. The policy states, investments shall be made with the judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived. Primary emphasis shall be placed upon the safety of such funds in an effort to minimize risk while earning maximum returns. The District's investment policy limits investments to those discussed earlier in this note.

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Investments in external investment pools are not exposed to custodial credit risk because of their natural diversification and the diversification required by Securities and Exchange Commission.

**Ambulance Service District
No. 1 of Lafourche Parish
Cut Off, Louisiana**
Notes to Financial Statements
Years Ended December 31, 2025 and 2024

Note 2 – Deposits and Investments (Cont.)

GASB Statement No. 40 *Deposit and Investment Risk Disclosure*, requires disclosure of credit risk, custodial credit risk, concentration of credit risk, interest rate risk, and foreign currency risk for all public entity investments.

New York Life Investments (NYLI) is an investment pool that, to the extent practical, invests in a manner consistent with GASB Statement No. 79. The following facts are relevant for investment pools:

- Credit risk: NYLI is rated A by Standard & Poor's.
- Custodial credit risk: NYLI participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.
- Concentration of credit risk: Pooled investments are excluded from the 5 percent disclosure requirement.
- Interest rate risk: NYLI is designed to be highly liquid to give its participants immediate access to their account balances. NYLI prepares its own interest rate risk disclosure using the weighted average maturity (WAM) method. The WAM of its assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days or 762 days for U.S. Government floating/variable rate investments. The WAM for NYLI's total investments is 43.3 days as of December 31, 2025.
- Foreign currency risk: Not applicable.

The investments in NYLI are stated at fair value. The fair value is determined on a weekly basis by NYLI, and the value of the position in the external investment pool is the same as the net asset value of the pool shares. Investment in NYLI as of December 31, 2025 amounted to \$301,104 and is classified on the Statement of Net Position as "Investments".

NYLI is subject to the regulatory oversight of the New York state treasurer and the board of trustees. NYLI is not registered with the SEC as an investment company.

Investments at December 31, 2025 are as follows:

Type of Investment	Investment Maturities			Carrying Amount	Fair Value
	< 1 Year	1-5 Years	6-10 Years		
Governmental Mutual Fund	<u>\$ 301,104</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 301,104</u>	<u>\$ 301,104</u>

Ambulance Service District
No. 1 of Lafourche Parish
Cut Off, Louisiana
 Notes to Financial Statements
 Years Ended December 31, 2025 and 2024

Note 2 – Deposits and Investments (Cont.)

Investments at December 31, 2024 are as follows:

Type of Investment	Investment Maturities			Carrying Amount	Fair Value
	< 1 Year	1-5 Years	6-10 Years		
Governmental Mutual Fund	<u>\$ 285,263</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 285,263</u>	<u>\$ 285,263</u>

Note 3 – Property Taxes

Property taxes are levied each November 1 on the assessed value listed as of the prior January 1 for all real property, merchandise and movable property located in the Parish. Assessed values are established by the Lafourche Parish Assessor's Office and the State Tax Commission at percentages of actual value as specified by Louisiana law. A statewide reevaluation of all property is required to be completed no less than every four years. The last statewide reevaluation was completed for the list of January 1, 2024. Taxes are due and payable December 31 with interest being charged on payments after January 1. Taxes can be paid through the tax sale date, which is the last Wednesday in June. Properties for which the taxes have not been paid are sold for the amount of the taxes. The tax rate for the year ended December 31, 2025 was \$3.58 per \$1,000 of assessed valuation on property within the District for the purpose of maintaining and operating ambulances for the care and transportation of persons suffering from illness, injury or disabilities requiring ambulance care within the District. These taxes are recorded in the year the taxes are levied. The Lafourche Parish Tax Collector bills and collects taxes for the District.

Note 4 – Capital Assets

A summary of changes in capital assets follows:

**Ambulance Service District
No. 1 of Lafourche Parish
Cut Off, Louisiana**
Notes to Financial Statements
Years Ended December 31, 2025 and 2024

Note 4 – Capital Assets (Cont.)

	Balance as of 12/31/24	Additions	Deletions	Balance as of 12/31/25
Capital assets not being depreciated				
Land	\$ 172,890	\$ -	\$ -	\$ 172,890
Capital assets being depreciated				
Buildings	1,565,187	-	-	1,565,187
Vehicles	1,524,845	551,632	(162,885)	1,913,592
Furniture and equipment	140,411	620	-	141,031
Medical equipment	911,082	97,095	-	1,008,177
Communication equipment	247,084	-	-	247,084
Other equipment	109,965	-	-	109,965
	<u>4,498,574</u>	<u>649,347</u>	<u>(162,885)</u>	<u>4,985,036</u>
Less: Accumulated depreciation				
Buildings	(391,416)	(42,119)	-	(433,535)
Vehicles	(1,101,549)	(223,702)	162,885	(1,162,366)
Furniture and equipment	(109,195)	(12,676)	-	(121,871)
Medical equipment	(885,207)	(33,782)	-	(918,989)
Communication equipment	(199,775)	(18,596)	-	(218,371)
Other equipment	(53,742)	(11,586)	-	(65,328)
	<u>(2,740,884)</u>	<u>(342,461)</u>	<u>162,885</u>	<u>(2,920,460)</u>
	<u>1,757,690</u>	<u>306,886</u>	<u>-</u>	<u>2,064,576</u>
Total capital assets, net of accumulated depreciation	<u>\$ 1,930,580</u>	<u>\$ 306,886</u>	<u>\$ -</u>	<u>\$ 2,237,466</u>

Depreciation expense charged to operations for the years ended December 31, 2025 and 2024 were \$342,461 and \$261,853, respectively.

Note 5 – Retirement Plan

During 1991 the District established a plan under Section 408K of the Internal Revenue Code. Employees are automatically enrolled in the SEP (Small Employer Pension) or 408(k) type plan after three years of continuous full-time service. Lafourche Ambulance District's contribution rate will be set by the Board of Commissioners annually. The rate will be based on the employees' gross earnings. The employee is allowed to contribute an amount up to, but not to exceed, 15% of his/her gross earnings when combined with the employer's contribution. Employee contributions are allowed after one year of full-time service. Employees are 100% vested at the time of their enrollment. The plan does not issue a stand-alone report.

Specific Provisions:

1. Full-time employees are eligible upon completion of 3 years of uninterrupted service. Leave of absence or other non-paid leave does not count toward accumulation of seniority.

**Ambulance Service District
No. 1 of Lafourche Parish
Cut Off, Louisiana**
Notes to Financial Statements
Years Ended December 31, 2025 and 2024

Note 5 – Retirement Plan (Cont.)

2. Employee contributions will be calculated on a percentage of the employee's gross earnings on a pre-tax basis.
3. Contributions will begin the month following the employee's third anniversary date.
4. Other regulations governing options such as premature withdrawals and changes in contribution rates, etc. are specified in the original contract.
5. The employer's contribution rate was 5% of gross wages of qualifying employees for 2025 and 2024.
6. Other than its contribution made to the participants' accounts and recorded as expenditures, the District does not guarantee benefits under the plan.
7. All amounts are maintained in each individual's account administered by an insurance company.

The total payroll for the year 2025 was \$2,973,388 of which \$1,363,060 was covered by the plan. For 2025, the District's contribution was \$68,153 (5% of covered payroll). Employee contributions to the plan amounted to \$138,714 for 2025.

The total payroll for the year 2024 was \$2,773,014 of which \$1,283,140 was covered by the plan. For 2024, the District's contribution was \$64,157 (5% of covered payroll). Employee contributions to the plan amounted to \$124,395 for 2024.

Note 6 – Cooperative Endeavor Agreements

During the year the District was party to a Cooperative Endeavor Agreement with Fire Protection District No. 3 of Lafourche Parish. The Fire District provides communication services, including dispatching of calls on a twenty-four hour a day basis, seven days a week for the District. During 2025 and 2024, the agreement calls for four quarterly payments of \$106,504, due ten days after the end of each quarter. The District recognized \$426,016 of dispatching expenses under this agreement in both 2025 and 2024.

The District is party to a Cooperative Endeavor Agreement with the Tenth Ward Veterans Memorial District to provide professional services to staff the Veterans District with drivers along with supervision and appropriate liability coverage for these drivers. The Veterans District reimburses the Ambulance District for all costs associated with providing this service including wages, payroll taxes, disability insurance, health insurance and any other cost plus an administrative fee of \$500 per month. Revenues related to this agreement totaled \$61,056 and \$47,106 for the years ended December 31, 2025 and 2024, respectively.

**Ambulance Service District
No. 1 of Lafourche Parish
Cut Off, Louisiana**
Notes to Financial Statements
Years Ended December 31, 2025 and 2024

Note 7 – Net Patient Service Revenue and Receivables

Presented below is a summary of net patient services revenues and receivables for the years ended December 31, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Gross patient service revenue	\$ 5,784,179	\$ 5,093,811
Less: Provision for bad debts	<u>(3,443,848)</u>	<u>(2,602,199)</u>
Net patient service revenue	<u>\$ 2,340,331</u>	<u>\$ 2,491,612</u>
 Patient accounts receivables	 \$ 1,657,556	 \$ 1,357,658
Less: Allowance for doubtful accounts	<u>(1,193,722)</u>	<u>(946,102)</u>
Net patient accounts receivables	<u>\$ 463,834</u>	<u>\$ 411,556</u>

Note 8 – Risk and Insurance

The District is exposed to various risks of loss related to tort; theft of, damage to, or destruction of assets; errors and omissions; and injuries to the public; and natural disasters. To protect against these risks, the District has purchased commercial or other insurance for the losses to which it is exposed.

Note 9 – Fair Value Measurements

The District applies the provisions of FASB ASC 820, *Fair Value Measurements and Disclosures*. FASB ASC 820 clarifies the principle that fair value should be based on the assumptions market participants would use when pricing the asset or liability and establishes a fair value hierarchy that prioritizes the inputs used to develop those assumptions and measure of fair value. The hierarchy requires the District to maximize the use of observable inputs and minimize the use unobservable inputs. The three levels of inputs used to measure fair value are as follows:

1. Level 1 – Quoted prices in active markets for identical assets or liabilities.
2. Level 2 – Observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.
3. Level 3 – Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. This includes certain pricing methods, discounted cash flow methodologies, and similar techniques that use significant unobservable inputs.

**Ambulance Service District
No. 1 of Lafourche Parish
Cut Off, Louisiana**
Notes to Financial Statements
Years Ended December 31, 2025 and 2024

Note 9 – Fair Value Measurements (Cont.)

The following methods and assumptions were used by the District in estimating fair value of financial instruments disclosed herein:

Cash and cash equivalents – The carrying amount of cash and short-term instruments approximate their fair value.

Investments – Fair values, which are the amounts reported in the balance sheet, are based on quoted market prices for similar securities. Mutual funds are valued at the net asset value (NAV) of shares held at year-end.

Accounts receivables, other current assets, accounts payables and other current liabilities – The carrying amount approximates fair value due to the short term nature of these accounts.

Note 10 – Business and Credit Concentrations

The District grants credit to patients, substantially all of who are local residents. The District generally does not require collateral or other security extending credit to patients; however, it routinely obtains assignments of (or is otherwise entitled to receive) patients' benefits payable under health insurance programs, plans or policies (e.g., Medicare, Medicaid, Blue Cross and commercial insurance policies).

Note 11 – Contingencies and Risk Management

Litigation

The District is a defendant in various lawsuits. In the opinion of legal counsel for the District, the liability, if any, would not exceed insurance coverage.

Risk Management

The District is exposed to various risks of loss related to workers compensation; torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the District carries commercial insurance. No settlements were made during the year that exceeded the District's insurance coverage.

Laws and Regulations

The healthcare industry is subject to numerous laws and regulations of federal, state, and local governments; compliance with such laws and regulations can be subject to future government review and interpretation, as well as regulatory actions unknown or unasserted at this time. These laws and regulations include, but are not limited to, accreditation, licensure, and Medicare and Medicaid fraud and abuse.

**Ambulance Service District
No. 1 of Lafourche Parish
Cut Off, Louisiana**
Notes to Financial Statements
Years Ended December 31, 2025 and 2024

Note 11 – Contingencies and Risk Management (Cont.)

Recently, government activity has increased with respect to investigations and allegations concerning possible violations of fraud and abuse statutes and regulations by healthcare providers. Violations of these laws and regulations could result in exclusion from government healthcare program participation together with the imposition of significant fines and penalties, as well as significant repayment for past reimbursement for patient services received. While the District is subject to similar regulatory reviews, management believes the District is not the subject of any investigation at this time, and the outcome of any such regulatory review will not have a material adverse effect on the District's financial position.

Note 12 – Insurance Claim

During the year, one of the District's ambulance units was involved in an accident. The District filed a claim with its insurer in relation to this accident, which resulted in the District receiving proceeds of \$200,950.

Note 13 – Per Diems Paid Commissioners

Board commissioners serve without compensation.

Note 14 – Subsequent Events

Subsequent events were evaluated through May 9, 2026, which is the date the financial statements were available to be issued, and it was determined that no events occurred that requires disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

SUPPLEMENTARY INFORMATION

**Ambulance Service District
No. 1 of Lafourche Parish
Cut Off, Louisiana**
Schedule of Compensation, Benefits, and Other
Payments to the District Administrator
Year Ended December 31, 2025

Agency Head Name: Ms. Michelle G. Pierce

Purpose	Amount
Salary	\$ 105,499
Benefits - insurance	12,483
Benefits - retirement	2,110
Benefits - other	983
Car allowance	-
Vehicle provided by government	915
Per diem	-
Reimbursements	-
Travel	-
Registration fees	-
Conference travel	840
Continuing professional education fees	-
Housing	-
Unvouchered expenses	-
Meals	212
	<u>\$ 123,042</u>

This schedule is used to satisfy the reporting requirements of
R.S. 24:513(A)(3).

REPORTS REQUIRED BY GOVERNMENT AUDITING STANDARDS

**Martin
and
Pellegrin**

103 Ramey Road
Houma, Louisiana 70360

*Certified public Accountants
(A Professional Corporation)*

Ph. (985) 851-3638
Fax (985) 851-3951

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

Board of Commissioners
Ambulance Service District No. 1 of Lafourche Parish
Cut Off, 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 business-type activities of the Ambulance Service District No. 1 of Lafourche Parish (the District), as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated May 9, 2026.

Report on Internal Control Over Financial Reporting

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

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

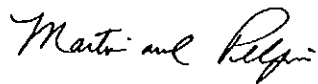
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Houma, Louisiana
May 9, 2026

**Ambulance Service District
No. 1 of Lafourche Parish
Cut Off, Louisiana**
Schedule of Findings and Responses
Year Ended December 31, 2025

Section I – Summary of Auditor's Results

1. The auditor's report expresses an unmodified opinion on the financial statements of the Ambulance Service District No. 1 of Lafourche Parish.
2. No control deficiencies were noted during the audit of the financial statements.
3. No instances of noncompliance or other matters required to be reported in accordance with *Government Auditing Standards* were noted during the audit.
4. A management letter was not issued.
5. The District received and expended \$37,843 in federal funds during the year from FEMA.

Section II – Financial Statement Findings

This section is not applicable.

Section III – Internal Control Findings

This section is not applicable.

Section IV – Findings and Questioned Costs – Major Federal Awards

This section is not applicable.

**Ambulance Service District
No. 1 of Lafourche Parish
Cut Off, Louisiana**
Management's Corrective Action Plan for Current Year Findings
Year Ended December 31, 2025

The contact person for all corrective actions noted below is Ms. Michelle G Pierce, Administrator.

Section I – Internal Control and Compliance

This section is not applicable.

Section II – Internal Control and Compliance Material to Federal Awards

This section is not applicable.

Section III – Management Letter

This section is not applicable.

Ambulance Service District No. 1 of Lafourche Parish
Cut Off, Louisiana
Schedule of Prior Findings and Resolution Matters
Year Ended December 31, 2025

Note: The prior findings all relate to the December 31, 2024 audit engagement.

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

This section is not applicable.

Section II – Internal Control and Compliance Material to Federal Awards

This section is not applicable.

Section III – Management Letter

This section is not applicable

STATEWIDE AGREED-UPON PROCEDURES

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**INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES**

To the Board of Commissioners
Ambulance Service District No. 1 of Lafourche Parish
Cut Off, Louisiana

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

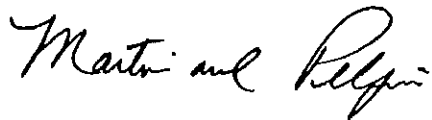
Ambulance Service District No. 1 of Lafourche Parish has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period January 1, 2025 through 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 described on pages 36-54.

We were engaged by Ambulance Service District No. 1 of Lafourche Parish 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 Ambulance Service District No. 1 of Lafourche Parish 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.

A handwritten signature in cursive script, reading "Martin and Pelgri".

Houma, Louisiana
May 9, 2026

**Ambulance Service District No. 1 of Lafourche Parish
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Schedule of Procedures and Associated Findings of the
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The required procedures and our findings are as follows:
Procedures performed on the District's written policies and procedures:

Written Policies and Procedures

1. Obtain and inspect the District's written policies and procedures and observe that they address each of the following categories and subcategories, as applicable:

- a. Budgeting, including preparing, adopting, monitoring, and amending the budget

Performance: Obtained and read the written policy for budgeting and found it to contain the requirements included above.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

- b. 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

Performance: Obtained and read the written policy for purchasing and found it to contain the requirements included above.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

- c. Disbursements, including processing, reviewing, and approving

Performance: Obtained and read the written policy for disbursements and found it to contain the requirements included above.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

- d. 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

Performance: Obtained and read the written policy for receipts and found it to contain the requirements included above.

Exceptions: The policy does not contain a provision regarding management's actions to determine completeness of all collections.

Management's response: Management will consider amending the policy to include a provision regarding actions to determine completeness of collections.

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- e. 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(s) rate of pay or approval and maintenance of pay rate schedules.

Performance: Obtained and read the written policy for payroll and personnel and found it to contain the requirements listed above.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

- f. Contracting, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process

Performance: Obtained and read the written policy related to contracting and found it to contain the requirements listed above.

Exceptions: The policy does not address legal review or monitoring process.

Management's response: Management will consider amending the policy to include provisions addressing legal review and monitoring processes.

- g. Credit Cards (and debit cards, fuel cards, P-Cards, if applicable), including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage

Performance: Obtained and read the written policy related to credit cards and found it to contain the requirements listed above.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

- h. Travel and expense reimbursement, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers

Performance: Obtained and read the travel and expense reimbursement policy and found it contained all requirements listed above.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

- i. Ethics, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.

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Performance: Obtained and read the written policy related to ethics and found it to contain the requirements listed above.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

- j. Debt Service, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

Performance: The District does not have any debt and as such, does not have a policy for debt service. This section is not applicable.

Exceptions: Not applicable.

Management's response: Not applicable.

- k. 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.

Performance: Obtained and read the written policy related to information technology disaster recovery/business continuity and found it to contain the requirements listed above.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

- l. 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.

Performance: Obtained and read the written policy related to sexual harassment and found it to contain the requirements listed above.

Exceptions: While the District does have a policy in place regarding prevention of sexual harassment, it does not address all requirements of R.S. 42:342-344.

Management's response: Management will consider amending the policy to include provisions addressing the missing requirements of R.S. 42:342-344.

Board or Finance Committee

2. Obtain and inspect all of 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:

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

Performance: Determined that the board met (with a quorum) at least monthly, *or on a frequency in accordance with the board's enabling legislation, charter, or other equivalent document* except for the conflicts below.

Exceptions: 10 of 12 meetings were held during the year. There were no meetings held in January of 2025 or April of 2025 due to lack of quorum.

Management's response: Management will consider rescheduling meetings when a lack of quorum is expected.

- b) Observe that the minutes referenced or included quarterly budget-to-actual comparisons on the proprietary fund.

Performance: Determined whether the minutes referenced or included quarterly budget-to-actual comparisons.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

- c) 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.

Performance: Determined that the District does not have a governmental fund and, as such, this procedure is not applicable.

- d) Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according the management's corrective action plan at each meeting until the findings are considered fully resolved.

Performance: Determined whether the board received updated on status of resolution of audit findings. Noted that there were no audit findings in 2024.

Exceptions: No exceptions were noted.

Management's response: Not applicable.

Bank Reconciliations

3. 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 four additional accounts (or all accounts if less than five). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:

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Performance: Obtained the listing of bank accounts from management and received management's representation in a separate letter.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

- a) Bank reconciliations include evidence that they were prepared within two months of the related statement closing date;

Performance: Determined that randomly selected bank statements were reconciled within two months of the related statement closing date.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

- b) Bank reconciliations include written evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation within one month of the date the reconciliation was prepared (e.g., initialed and dated or electronically logged;

Performance: Inspected documentation for timely management approvals of each randomly selected bank reconciliation.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

- c) *Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date.*

Performance: Determined whether there were any items outstanding for more than 12 months that had not been researched.

Exceptions: Of the 4 bank accounts tested, two of them had reconciling items that have been outstanding for more than 12 months and not researched.

Management's response: Management will research the reconciling items.

Collections

4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select five deposit sites (or all deposit sites if less than five).

Performance: Obtained 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.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site, obtain and inspect written policies and procedures relating to employee job duties at each collection location, and observe that job duties are properly segregated at each collection location, and observe that job duties are properly segregated at each collection location such that:

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

Performance: Observed that employees responsible for cash collections do not share cash drawers/registers.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation to the deposit.

Performance: Observed that employees responsible for cash collections are not responsible for making deposits unless another employee/official is responsible for reconciling collection documentation to the deposit.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.

Performance: Observed that employees responsible for cash collections are not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

d) The employee responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, is not responsible for collecting cash, unless another employee/official verifies the reconciliation.

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Performance: Observed that employees responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, is not responsible for collecting cash, unless another employee/official verifies the reconciliation.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

6. 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 enforced during the fiscal period.

Performance: Observed a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observed that the bond or insurance policy for theft was in force during the fiscal period.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

7. Randomly select two deposit dates for each of the bank accounts selected for procedure #3 under "Bank Reconciliations" above. Obtain supporting documentation for each of the deposits and:

- a) Observe that receipts are sequentially pre-numbered.
- b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
- c) Trace the deposit slip total to the actual deposit per the bank statement.
- d) Observe that the deposit was made within one business day of receipt at the collection location.
- e) Trace the actual deposit per the bank statement to the general ledger.

Performance: Performed procedures 7a through 7e above.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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

8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select five locations (or all locations if less than five).

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Performance: Obtained a listing of locations that processed payments for the fiscal period from management and received management's representation in a separate letter. Determined that only one location processed payments.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties, and observe that job duties are properly segregated such that:

- a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.

Performance: Obtained a listing of those employees involved with non-payroll purchasing and payment functions along with written policies and procedures for those functions to determine if there was a proper segregation of duties for initiating, approving, and making purchases.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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

Performance: Obtained a listing of those employees involved with non-payroll purchasing and payment functions along with written policies and procedures for those functions to determine if there was a proper segregation of duties for processing and approving payments to vendors.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

- c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.

Performance: Inspected policy manual and inquired of management as to separation of duties related to vendor files.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

- d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

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Performance: Inquired of management to determine if the employee responsible for processing payments mails those respective payments.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

- e) 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.

Performance: Inquired of management to determine whether release of electronic disbursements are appropriately authorized.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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

Performance: Obtained the completed general ledger for the fiscal period and obtained management's representations in a separate letter. Randomly selected five disbursements using a random number generator for check numbers to test the requirements below.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

- a) Observe that the disbursement matched the related original itemized invoice and that supporting documentation indicates that deliverables included on the invoice were received by the entity.

Performance: Determined that the five random disbursements matched their respective original invoices and that the invoices indicate that deliverables were received by the entity.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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

Performance: Determined whether the documentation for the five random disbursements gave evidence of the segregation of duties tested under #9 above.

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Exceptions: There were no exceptions noted.
Management's response: Not applicable.

11. Using the entity's main operating accounts and the month selected in Bank Reconciliations procedure #3, 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.

Performance: Determined whether the five random electronic disbursements were properly approved.

Exceptions: There were no exceptions noted.
Management's response: Not applicable.

Credit Cards/Debit Cards/Fuel Cards/P-Cards

12. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

Performance: Obtained from management a listing of all active cards for the fiscal period and management's representation that the listing is complete in a separate letter.

Exceptions: There were no exceptions noted.
Management's response: Not applicable.

13. Using the listing prepared by management, randomly select five cards (or all cards if less than five) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:

- a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation was reviewed and approved, in writing, by someone other than the authorized card holder.

Performance: Observed that there was evidence of proper monthly statement and supporting documentation review and approval.

Exceptions: There were no exceptions noted.
Management's response: Not applicable.

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

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Performance: Observed that there were no finance charges or late fees assessed on the selected statement.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

14. Using the monthly statements or combined statements selected under #13 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. 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.

Performance: Determined that all transactions from the statement tested were supported by the documentation required above.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

15. Using the list of terminated employees obtained in Payroll and Personnel procedure #20, identify those individuals who had access to cards and randomly select 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.

Performance: Determined that all transactions from the statement tested were supported by the documentation required above.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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

16. 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 five reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the five reimbursements selected:

Performance: Obtained general ledger detail for travel and travel-related expense reimbursements and management's representation that the general ledger is complete.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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- a) 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 (doa.la.gov/doa/ost/ppm-49-travel-guide/) or the U.S. General Services Administration (www.gsa.gov).

Performance: Determined that travel expenses were reimbursed using per diem rates established by the U.S. General Services Administration.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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

Performance: Determined that none of the travel expense reimbursements in the general ledger were reimbursed using actual costs.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

- c) 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 policy (procedure #1h).

Performance: Reviewed documentation of the business/public purpose for each expense.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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

Performance: Inspected each expense reimbursement request to find approval by supervisors and/or board member.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

Contracts

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

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Performance: Observed the listing of contracts in effect during the fiscal year from management and received management's representation of completeness in a separate letter.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

- a) Observe whether the contract was bid in accordance with the Louisiana Public Bid Law, if required by law.

Performance: Determined that contracts were bid in accordance with Louisiana Public Bid Law.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

- b) Observe whether the contract was approved by the governing body/board, if required by policy or law.

Performance: Determined that the selected contracts were approved by the board.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

- c) If the contract was amended, observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms.

Performance: Determined that none of the five selected contracts included amendments to the original contracts and that all were in compliance with the original contract terms.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

- d) Randomly select one payment from the fiscal period for each of the five 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.

Performance: Inspected the randomly selected payment and compared to the written contract information to determine that the invoice and related payment complied with the terms of the contract.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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Payroll and Personnel

18. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select five employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

Performance: Observed the listing of employees and received management's representation of completeness in a separate letter.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

19. Randomly select one pay period during the fiscal period. For the employees selected under #18 above, obtain attendance records and leave documentation for the pay period, and:

- a) Observe that all selected employees or officials documented their daily attendance and leave.

Performance: Determined that all selected employees documented their daily attendance and leave for the selected pay period.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

- b) Observe that supervisors approved the attendance and leave of the selected employees or officials.

Performance: Determined that the attendance and leave of each employee for the selected pay period was approved by each employee's respective supervisor.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

- c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.

Performance: Observed that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

- d) Observe that the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.

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Performance: Observed that the rate paid to the employees agreed to the authorized salary/pay rate.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

20. 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, obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity policy on termination payments. Agree the hours to the employee or officials' cumulate leave records, agree the pay rates to the employee or officials' authorized pay rates in the employee or officials' personnel files, and agree the termination payment to entity policy.

Performance: Selected two employees, obtained documentation related to hours and pay rates used in termination payments and agreed to employees' leave records and authorized pay rate per personnel file, and determined that the termination payments agreed to entity policy.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

21. Obtain management's representation that employer and employee portions of third-party payroll-related amounts have been paid, and any associated forms have been filed, by required deadlines.

Performance: Determined that the District paid and filed payroll-related obligations in a timely manner.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

Ethics

22. Using the employees from procedure #18 under "Payroll and Personnel" above, obtain ethics documentation from management, and:

- a) Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.

Performance: Observed the ethics course completion certificates for the employees/officials tested.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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

Performance: Observe that the entity maintains documentation which demonstrates each employee and official was notified of any changes to the entity's policy during the fiscal period.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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

Performance: Inquired as to whether the agency has appointed an ethics designee as required by R.S. 42:1170.

Exceptions: No exceptions were noted.

Management's response: Not applicable.

Debt Service

24. 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 bond/note issued.

25. 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.

Performance: As the District does not have any debt, determined that procedures 24 and 25 were not applicable.

Fraud Notice

26. 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.

Performance: Inquired of management of any misappropriations of public funds or assets and determined that none were noted.

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Exceptions: There were no exceptions noted.
Management's response: Not applicable.

27. 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.

Performance: Observed such notice posted on the premises and website.
Exceptions: There were no exceptions noted.
Management's response: Not applicable.

Information Technology Disaster Recovery/Business Continuity

28. Perform the following procedures and verbally discuss the results with management:

- a) Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup (1) occurred within the past week, (2) was not stored on the government's local server or network, and (3) was encrypted.
- b) Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past three months.
- c) 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 five computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting software in use are currently supported by the vendor.

29. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #20. Observe evidence that the selected terminated employees have been removed or disabled from the network.

30. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #18, 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:

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- a) Hired before June 9, 2020 - completed the training; and
- b) Hired on or after June 9, 2020 - completed the training within 30 days of initial service or employment

Performance: We performed the procedures and discussed the results with management of the District.

Prevention of Sexual Harassment

31. Using the randomly selected employees/officials from procedure #18 under "Payroll and Personnel" above, 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.

Performance: Observed the sexual harassment course completion certificates for the five employees/officials tested.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

32. Observe that the entity has posted its sexual harassment policy and complaint procedure on its website.

Performance: Visited the District's website to observe its sexual harassment policy and complaint procedure.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

33. 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 it includes the applicable requirements of R.S. 42:344:

- a) Number and percentage of public servants in the agency who have completed the training requirements;
- b) Number of sexual harassment complaints received by the District;
- c) Number of complaints which resulted in a finding that sexual harassment occurred;
- d) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
- e) Amount of time it took to resolve each complaint.

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Performance: Requested a copy of the District's annual sexual harassment report.

Exceptions: The District did not prepare the report.

Management's response: Going forward, the District will timely prepare its sexual harassment report.