

**DESOTO PARISH FIRE PROTECTION  
DISTRICT NO. 1  
Logansport, Louisiana**

**FINANCIAL REPORT  
December 31, 2024**

**DESOTO PARISH FIRE PROTECTION DISTRICT NO. 1**  
**Logansport, Louisiana**  
December 31, 2024

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## Independent Auditor's Report

To the Board of Commissioners  
DeSoto Parish Fire Protection District No. 1  
Logansport, Louisiana

### Report on the Audit of the Financial Statements

#### Opinions

We have audited the financial statements of the governmental activities and the major fund of the of the DeSoto Parish Fire Protection District No. 1 (the District), a component unit of the DeSoto Parish Policy Jury, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

#### Basis for Opinions

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

#### Responsibilities of Management for the Financial Statements

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

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

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

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

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

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

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

#### **Required Supplementary Information**

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

#### **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The information listed in the table of contents as Supplementary Information are presented for the purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated September 12, 2025, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and in considering the District's internal control over financial reporting and compliance.

*Dees Gardner, Certified Public Accountants, LLC*

Mansfield, Louisiana

September 12, 2025

## REQUIRED SUPPLEMENTARY INFORMATION (PART I)

**DESOTO PARISH FIRE DISTRICT NO.1**  
Logansport, Louisiana  
**Management's Discussion and Analysis**  
December 31, 2024

As management of the DeSoto Parish Fire Protection District No. 1 (the District), a component unit of the DeSoto Parish Police Jury, we offer the readers of our annual financial report our discussion and analysis of the District's financial performance during the fiscal year that ended on December 31, 2024. The District's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section. We encourage readers to consider the information presented here in conjunction with the District's basic financial statements and supplementary information provided in this report in assessing the efficiency and effectiveness of our stewardship of public resources.

**FINANCIAL HIGHLIGHTS**

The District's net position increased by \$371,607 (15.02%) for the year ending December 31, 2024, compared to an increase of \$404,227 (19.53%) in 2023. This continues a trend of increases for the District.

Property tax revenues increased \$159,164 (7.70%) to \$2,227,261 during the year ended December 31, 2024, compared to an increase of \$469,487 (29.37%) to \$2,068,097 during 2023. Starting in the prior year, there was a change in assessing oil and gas wells for ad valorem tax purposes. This change has resulted in higher ad valorem tax revenues for the District at present.

The District's total general and program revenues were \$2,373,654 in 2024 compared to \$2,233,873 in 2023, an increase of \$139,781 (6.26%). This increase is primarily due to the increase in ad valorem tax revenues.

During the year ended December 31, 2024, total expenses of the District (excluding depreciation of \$151,588) increased \$170,349 (10.14%) to \$1,850,459, compared to \$1,680,110 in 2023. The increases are primarily related to payroll and personnel cost increases.

**OVERVIEW OF FINANCIAL STATEMENTS**

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

**Government-wide Financial Statements.** The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business. There are two government-wide statements: the statement of net position and the statement of activities.

The statement of net position presents information on all of the District's assets and deferred outflows of resources, and liabilities and deferred inflows of resources with the difference between them presented as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

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

**Fund Financial Statements.** A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The District only reports one fund type, governmental funds.

*Governmental funds.* Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

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

### Notes to the Financial Statements

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

### Required Supplementary Information

The basic financial statements are followed by a section of required supplementary information. This section includes a budget comparison schedule, which includes a reconciliation between the statutory fund balance for budgetary purposes and the fund balance for the General Fund as presented in the governmental fund financial statements. Additionally, this section includes information about employee pension benefits.

### Supplementary Information

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

### FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net position may serve over time as a useful indicator of the District's financial position. The total net position changed from a year ago, increasing from \$2,473,750 to \$2,845,357 at December 31, 2024.

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

	Governmental Activities	
ASSETS	2024	2023
Cash and cash equivalents	\$ 1,066,291	\$ 838,594
Accounts receivable	2,215,704	2,033,831
Prepaid expenses	97,586	89,502
Capital assets, net	710,368	809,441
Total assets	<u>4,089,949</u>	<u>3,771,368</u>
DEFERRED OUTFLOWS OF RESOURCES		
Pension related	<u>406,533</u>	<u>639,920</u>
LIABILITIES		
Current liabilities	168,421	152,065
Noncurrent liabilities	<u>1,304,782</u>	<u>1,639,586</u>
Total liabilities	<u>1,473,203</u>	<u>1,791,651</u>
DEFERRED INFLOWS OF RESOURCES		
Pension related	<u>177,922</u>	<u>145,887</u>
NET POSITION		
Net investment in capital assets	710,368	809,441
Unrestricted	<u>2,134,989</u>	<u>1,664,309</u>
Total net position	<u>\$ 2,845,357</u>	<u>\$ 2,473,750</u>

The largest portion of the District's net position, \$2,134,989 or 75.03%, was unrestricted at December 31, 2024, and available for future spending. This is an increase of \$470,680 or 28.28% from the prior year. The remaining portion of the District's net position, \$710,368 (24.97%) reflects its investment in capital assets such as buildings, equipment, and software, with an historical cost of \$3,936,351 less accumulated depreciation of \$3,225,983. The



District uses these capital assets to provide services to the public; consequently, these assets are not available for future spending.

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

	Governmental Activities	
	2024	2023
Program Revenues:		
Operating grants and contributions	\$ 2,000	\$ -
General Revenues:		
Ad Valorem Taxes	2,227,261	2,068,097
Intergovernmental revenues	67,426	77,369
Miscellaneous income	74,338	83,141
Interest income	2,629	5,266
Total revenues	2,373,654	2,233,873
Expenses		
Public Safety	2,002,047	1,829,646
Total expenses	2,002,047	1,829,646
Increases in net position	371,607	404,227
Net Position, beginning	2,473,750	2,069,523
Net Position, ending	\$ 2,845,357	\$ 2,473,750

As the above presentation demonstrates, the District has increased its reserves by \$371,607 or 15.02%. The District received \$2,227,261 (93.83%) and \$2,068,097 (92.58%) of its total revenues through property taxes during 2024 and 2023, respectively.

## FINANCIAL ANALYSIS OF THE DISTRICT'S GOVERNMENTAL FUND

The focus of the District's governmental fund is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the District's net resources available for spending at the end of the year. As of December 31, 2024, the District's governmental fund (the general fund) reported an ending fund balance of \$3,036,676, an increase of \$243,966 (8.74%) from the prior year balance of \$2,792,710. A total of \$2,939,090 of the ending fund balance is unassigned and available for spending in the subsequent year.

## GENERAL BUDGET BUDGETARY HIGHLIGHTS

Formal budgetary integration is employed as a management control device during the fiscal year. The budget policy of the District complies with state law, as amended, and as set forth in Louisiana Revised Statutes Title 39, Chapter 9, Louisiana Local Government Budget Act (LSA-RS 39:1301 et seq.). The District's budget was not amended during 2024. Actual revenues budgetary basis were \$34,032 (1.65%) less than budgeted amounts. Actual expenditures budgetary basis were \$41,099 (2.06%) less than the budgeted amounts.

## CAPITAL ASSET ADMINISTRATION

For the year, ended December 31, 2024, the District acquired a new trailer shed for station 3, a replacement rolling door for a station, a new defibrillator, a new radio and a new drone for a total of \$52,515.

## DEBT ADMINISTRATION

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

## ECONOMIC FACTORS EXPECTED TO EFFECT FUTURE OPERATIONS

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

## REQUEST FOR INFORMATION

This report is designed to provide a general overview of the District's finances and seeks to demonstrate the District's accountability for the money she received. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Mark Magee, Fire Chief, at 300 Marshall Road, Logansport, Louisiana, 71049.

## BASIC FINANCIAL STATEMENTS

**DESOTO PARISH FIRE DISTRICT NO.1**

Logansport, Louisiana

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

December 31, 2024

	Governmental Fund Financial Statements		Government-wide Statements
	<b>Balance Sheet</b>		<b>Statement of</b>
	<b>General Fund</b>	<b>Adjustments</b>	<b>Net Position</b>
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 1,066,291	\$ -	\$ 1,066,291
Accounts receivable	2,215,704	-	2,215,704
Prepaid expenses	97,586	-	97,586
Noncurrent assets:			
Capital assets, net (see note 3)	-	710,368	710,368
Total assets	<u>3,379,581</u>	<u>710,368</u>	<u>4,089,949</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension related		406,533	406,533
Total deferred outflows of resources		<u>406,533</u>	<u>406,533</u>
<b>LIABILITIES</b>			
Current Liabilities:			
Accounts payable	38,403	-	38,403
Payroll liabilities	130,018	-	130,018
Noncurrent Liabilities:			
Net pension liability	-	1,304,782	1,304,782
Total liabilities	<u>168,421</u>	<u>1,304,782</u>	<u>1,473,203</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable ad valorem taxes	174,484	(174,484)	-
Pension related	-	177,922	177,922
Total deferred inflows of resources	<u>174,484</u>	<u>3,438</u>	<u>177,922</u>
<b>FUND BALANCE / NET POSITION</b>			
Fund Balances:			
Nonspendable - Prepaid expenses	97,586	(97,586)	-
Unassigned	2,939,090	(2,939,090)	-
Total fund balances	<u>3,036,676</u>	<u>(3,036,676)</u>	<u>-</u>
Total liabilities, deferred inflows of resources, and fund balance	\$ <u>3,379,581</u>	<u>(1,728,456)</u>	
Net Position:			
Net investment in capital assets		710,368	710,368
Unrestricted		2,134,989	2,134,989
Total net position		<u>\$ -</u>	<u>\$ 2,845,357</u>

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

**DESOTO PARISH FIRE DISTRICT NO.1**  
Logansport, Louisiana

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

<b>Fund Balance - Governmental Fund</b>	<b>\$ 3,036,676</b>
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	710,368
Certain deferred outflows reported in the governmental activities are not financial resources and therefore not reported in the governmental funds:	
Deferred outflows-pension related	406,533
Unavailable ad valorem taxes are reported as deferred inflows of resources in the governmental funds, but are reflected as income in the Government-wide statement.	174,484
Long-term liabilities are not due and payable in the current period, and therefore, are not reported in the governmental fund:	
Deferred inflows-pension related	(177,922)
Net pension liability	(1,304,782)
<b>Total Net Position of Government Activities</b>	<b>\$ <u>2,845,357</u></b>

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

**DESOTO PARISH FIRE DISTRICT NO.1**  
Logansport, Louisiana

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

	Governmental Funds Financial Statements		Government-wide Statements
	Statement of Revenues, Expenditures, and Changes in Fund Balance		Statement of Activities
	General Fund	Adjustments	
<b>Expenditures / Expenses</b>			
Current			
General government - public safety	\$ 1,919,841	\$ (69,382)	\$ 1,850,459
Capital outlays	52,515	(52,515)	-
Depreciation	-	151,588	151,588
Total expenditures / expenses	<u>1,972,356</u>	<u>29,691</u>	<u>2,002,047</u>
<b>Program revenues</b>			
Operating grants and contributions	2,000	-	2,000
Total program revenues	<u>2,000</u>	<u>-</u>	<u>2,000</u>
Net program expense			(2,000,047)
<b>General revenues</b>			
Property taxes	2,069,929	157,332	2,227,261
Intergovernmental revenues	67,426	-	67,426
Miscellaneous income	74,338	-	74,338
Interest earnings	2,629	-	2,629
Total general revenues	<u>2,214,322</u>	<u>157,332</u>	<u>2,371,654</u>
<b>Net change in fund balance / Change in net position</b>	243,966	127,641	371,607
<b>Fund balance / Net position</b>			
Beginning of the year	2,792,710		2,473,750
End of the year	<u>\$ 3,036,676</u>		<u>\$ 2,845,357</u>

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

**DESOTO PARISH FIRE DISTRICT NO.1**  
Logansport, Louisiana

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

For the year ended December 31, 2024

<b>Net change in Fund Balance - Governmental Fund</b>	\$ 243,966
<p>Governmental funds report capital outlays as expenditures. However in the Statement of Activities, the cost of the assets are capitalized and allocated over their estimated useful lives and reported as depreciation expense. Therefore, capital expenditures are not recorded in the statement of activities.</p>	
Capital outlays	52,515
Depreciation	(151,588)
<p>Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the governmental funds.</p>	
Non-employer contributions to cost-sharing pension plan	72,257
Change in unavailable ad valorem taxes	157,332
<p>In the Statement of Activities pension and other postemployment benefits are reported in the government-wide statements, but not in the governmental fund statements.</p>	
Pension expense	<u>(2,875)</u>
<b>Net change in Net Position</b>	<u><u>\$ 371,607</u></u>

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

## NOTES TO THE FINANCIAL STATEMENTS

**DESOTO PARISH FIRE DISTRICT NO.1**  
Logansport, Louisiana  
**NOTES TO THE FINANCIAL STATEMENTS**  
As of and for the year ended December 31, 2024

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## **INTRODUCTION**

DeSoto Parish Fire Protection District No. 1 (the District) was created by the DeSoto Parish Police Jury (the Police Jury), as authorized by Louisiana Revised Statute 40:1492 on April 16, 1988. The District is governed by a five-member board appointed in accordance to LRS 40:1496 as follows: two members by the Police Jury, two members by the Town of Logansport, and one by the other four members. The District is responsible for maintaining and operating fire stations and equipment and providing fire protection within the boundaries of the District. The District maintains and operates four stations within its boundaries. The District is staffed by one administrative employee, ten full-time firefighters and several part-time firefighters.

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

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

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

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

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

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

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

**D. Measurement Focus and Basis of Accounting** — The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Amounts reported as program revenues include: (1) operational grants and contributions for the Public Safety function. Internally dedicated resources are reported as general revenues rather than as program revenues. General revenues include ad valorem taxes, intergovernmental revenues, investment earnings and other amounts not reported as program revenues.



**DESOTO PARISH FIRE DISTRICT NO.1**  
Logansport, Louisiana  
**NOTES TO THE FINANCIAL STATEMENTS**  
As of and for the year ended December 31, 2024

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

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. An exception to this is federal and state grants collected on a reimbursement basis, which are recognized as revenue when reimbursable expenditures are made. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under financed purchases are reported as other financing sources.

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

The District funds outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed. In order to calculate the amounts to report as restricted, committed, assigned and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the District's policy to consider restricted fund balance to have been depleted before any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

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

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

Cash and cash equivalents includes amounts in demand accounts, interest-bearing demand deposits, and certificates of deposits with maturities of 90 days or less at the time of purchase. Investments include certificates of deposit with maturities over 90 days at the time of purchase. The District does not report any investments currently. Under state law, the District may deposit funds with a fiscal agent organized under the laws of Louisiana, the laws of any other state in the union, or the laws of the United States. The District may invest in United States bonds, treasury notes and bills, government-backed agency securities, or certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana.

**F. Prepaid Expenses**

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

**G. Accounts Receivable**

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

**H. Capital Assets**

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

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

**H. Capital Assets (Continued)**

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

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

**I. Deferred Inflows/Outflows of Resources**

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

The District has deferred inflows and outflows related to pensions and deferred inflows related to unavailable ad valorem revenue.

**J. Equity Classifications**

Net Position

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

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

Fund Balances

The District classifies fund balances in governmental funds as follows:

- Nonspendable- Resources that are not in spendable form (such as prepaid expenses) because they are legally or contractually required to be maintained intact.
- Restricted- Resources constrained to specific purposes by their providers (such as grantors or higher levels of government).
- Committed- Resources constrained by the District itself. To be reported as committed, amounts cannot be used for any other purpose unless the District takes the action to remove or change the constraint.
- Assigned- Resources the District intends to use for a specific purpose.
- Unassigned- Resources that are available for any purpose.

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

The General Fund, the District's only governmental fund, has an unassigned fund balance of \$2,939,090.

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

**K. Pension Plan**

The District is a participating employer in a cost-sharing, multiple-employer defined benefit pension plan as described in Note 5. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension benefit or expense, information about the fiduciary net position of each of the plans, and additions to / deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments have been reported at fair value within the plan.

**L. Use of Estimates**

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

**2. Cash and Cash Equivalents**

At December 31, 2024, the District had cash and cash equivalents balances of \$1,066,291 (book balances).

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

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

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

At December 31, 2024, the District had \$1,098,224 in deposits (collected bank balances). These deposits were secured from risk by \$250,000 of federal deposit insurance and \$848,224 of pledged securities with a total market value of \$2,360,412. At December 31, 2024, all balances were covered by pledged securities or federal deposit insurance.

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**3. Capital Assets**

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

<u>Governmental Activities</u>	<u>Balance</u> <u>12/31/2023</u>	<u>Additions</u>	<u>Deletions /</u> <u>Reclassifications</u>	<u>Balance</u> <u>12/31/2024</u>
Vehicles	\$ 2,643,280	\$ -	\$ -	\$ 2,643,280
Buildings	651,733	10,734	-	662,467
Firefighting Equipment	405,742	41,781	-	447,523
Furniture & fixtures	183,081	-	-	183,081
Total	<u>3,883,836</u>	<u>52,515</u>	<u>-</u>	<u>3,936,351</u>
Less accumulated depreciation				
Vehicles	2,160,354	112,721	-	2,273,075
Buildings	385,740	26,261	-	412,001
Firefighting Equipment	386,004	6,586	-	392,590
Furniture & fixtures	142,297	6,020	-	148,317
Total	<u>3,074,395</u>	<u>151,588</u>	<u>-</u>	<u>3,225,983</u>
Capital assets, net	\$ <u>809,441</u>	\$ <u>(99,073)</u>	\$ <u>-</u>	\$ <u>710,368</u>

Depreciation expense of \$151,588 was charged to the public safety function.

**4. Levied Taxes**

Property taxes are levied by the District on property values assessed by the DeSoto Parish Tax Assessor and approved by the State of Louisiana Tax Commission. The DeSoto Parish Sheriff's offices bills and collects property taxes for the District. Collections are remitted to the District monthly. The District recognizes property tax revenues when levied. The property tax calendar is as follows:

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

The District has an authorized and levied 15.62 mills ad valorem tax for 2024. a 10.69 mill tax was approved by the district voters December 10, 2022, effective January, 2024, and expires in the year 2033. The resolution assessing a 5 mill tax (currently 4.93 mills) was approved by the district voters October 14, 2017, effective January, 2018, and expires in the year 2027. The taxes are normally collected in December of the current year and January and February of the ensuing year. Total assessed value in the District was \$147,173,244 in 2024. Louisiana state law exempts the first \$75,000 of assessed value of a taxpayer's primary residence from parish property taxes. For the District, the homestead exemption represents \$4,582,957 in assessed value for 2024 or \$71,585 in total revenues. The District recognized \$2,227,261 in Ad valorem tax revenues for 2024.

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**4. Levied Taxes (Continued)**

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

	Type of business	Assessed valuation	% of total taxable valuation	Ad valorem tax revenue for the District
COMSTOCK OIL & GAS	Oil & Gas	\$ 52,994,020	37.17%	\$ 827,873
SWN PRODUCTION (LOUISIANA), LLC	Oil & Gas	21,979,783	15.41%	343,221
DTM LOUISIANA GAS GATHERING, LLC	Oil & Gas	20,102,064	14.10%	314,044
TGG PIPELINE, LTD	Oil & Gas	6,143,231	4.31%	95,995
ENTERPRISE GATHERING L.L.C.	Oil & Gas	4,855,458	3.41%	75,950
DIVERSIFIED ENERGY COMPANY, PLC	Oil & Gas	4,535,625	3.18%	70,827
ETC TEXAS PIPELINE, LLC	Oil & Gas	3,563,934	2.50%	55,682
CHESAPEAKE OPERATING, INC	Oil & Gas	2,833,883	1.99%	44,322
DTM SPECIALIZED WATER SERVICE	Oil & Gas	2,419,161	1.70%	37,863
ENABLE MIDSTREAM PARTNERS, LP	Oil & Gas	1,940,538	1.36%	30,291
Total		<u>\$ 121,367,697</u>	<u>85.13%</u>	<u>\$ 1,896,068</u>

**5. Pension Plan**

Plan Description – The Firefighters’ Retirement System (System) is a cost-sharing multiple-employer, defined benefit pension plan established by Act 434 of 1979 to provide retirement, disability, and survivor benefits to firefighters in Louisiana. The system is a statewide public retirement system for the benefit of fire districts and their staff, which is administered and controlled by a separate board of trustees. Benefit provisions are authorized within Act 434 of 1979 and amended by Louisiana Revised Statutes (R.S.) 11:2251–11:2272.

Eligibility Requirements – Any person who becomes an employee as defined in R.S. 11:2252 on and after January 1, 1980, shall become a member as a condition of employment. Membership in the System is a condition of employment for any full-time firefighters (or any person in a position as defined in the municipal fire and police civil service system) who earn at least \$375 per month, excluding state supplemental pay, and are employed by a fire department of any municipality, parish, or fire protection district of the state of Louisiana, excepting Orleans Parishes and the City of Baton Rouge.

No person who has attained age 50 or over shall become a member of the System unless the person becomes a member by reason of a merger or unless the System received an application for membership before the applicant attained the age of 50. No person who has not attained the age of 18 years shall become a member of the System.

Any person who has retired from service under any retirement system or pension fund maintained basically for public officers and employees of the state, its agencies or political subdivisions, and who is receiving retirement benefits therefrom may become a member of the System, provided the person meets all other requirements for membership. Service credit from the retirement system or pension plan from which the member is retired shall not be used for reciprocal recognition of service with the System, or for any other purpose in order to attain eligibility or increase the amount of service credit in the System.

Retirement Benefits – Employees with 20 or more years of service who have attained age 50, or employees who have 12 years of service who have attained age 55, or 25 years of service at any age are entitled to annual pension benefits equal to 3.333% of their average final compensation based on the 36 consecutive months of highest pay multiplied by their total years of service, not to exceed 100%. Employees may elect to receive their pension benefits in the form of a joint and survivor annuity.

If employees terminate before completing 12 years of service, they forfeit the right to receive the portion of their accumulated plan benefits attributable to their employer’s contributions.

Benefits are payable over the retirees’ lives in the form of a monthly annuity. A member may elect the maximum benefit (unreduced benefit which ceases upon the member’s death) or any of six other options at retirement. See R.S. 11:2256(A) for additional details on retirement benefits.



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**5. Pension Plan (Continued)**

Disability Benefits – A member who acquires a disability, and who files for disability benefits while in service, and who upon medical examination and certification as provided for in Title 11, is found to have a total disability solely as the result of injuries sustained in the performance of his official duties, or for any cause, provided the member has at least five years of creditable service and provided that the disability was incurred while the member was an active contributing member in active service, shall be entitled to disability benefits under the provisions of R.S. 11:2258(B).

Death Benefits - Benefits shall be payable to the surviving eligible spouse or designated beneficiary of a deceased member as specified in R.S. 11:2256(B) & (C).

Deferred Retirement Option Plan - After completing 20 years of creditable service and attaining the age of 50 years, or 25 years at any age, a member may elect to participate in the deferred retirement option plan (DROP) for up to 36 months.

Upon commencement of participation in DROP, employer and employee contributions to the System cease. The monthly retirement benefit that would have been payable is paid into the member's DROP account. Upon termination of employment, a participant in the program has several options to receive their DROP benefit. A member may (1) elect to roll over all or a portion of their DROP balance into another eligible qualified plan, (2) receive a lump-sum payment from the account, (3) receive single withdrawals at the discretion of the member, (4) receive monthly or annual withdrawals, or (5) receive an annuity based on the DROP account balance. These withdrawals are in addition to his regular monthly benefit.

If employment is not terminated at the end of the 36 months, the participant resumes regular contributions to the System. No withdrawals may be made from the DROP account until the participant retires.

Initial Benefit Option Plan - Effective June 16, 1999, members eligible to retire and who do not choose to participate in DROP may elect to receive, at the time of retirement, an initial benefit option (IBO) in an amount up to 36 months of benefits, with an actuarial reduction of their future benefits. Such amounts may be withdrawn or remain in the IBO account earning interest at the same rate as a DROP account.

Cost of Living Adjustments (COLAs) - Under the provisions of R.S. 11:246 and 11:2260(A)(7), the board of trustees is authorized to grant retired members and widows of members who have retired an annual cost of living increase of up to 3% of their current benefit, and all retired members and widows who are 65 years of age and older a 2% increase in their original benefit. In order for the board to grant either of these increases, the System must meet certain criteria detailed in the statute related to funding status and interest earnings (R.S. 11:243). In lieu of these COLAs, pursuant to R.S. 11:241, the board may also grant an increase based on a formula equal to up to \$1 times the total number of years of credited service accrued at retirement or at death of the member or retiree plus the number of years since retirement or since death of the member or retiree to the system's fiscal year end preceding the payment of the benefit increase. If there are not sufficient funds to fund the benefit at the rate of one dollar per year for such total number of years, then the rate shall be reduced in proportion to the amount of funds that are available to fund the cost-of-living adjustment.

Contributions – Contribution requirements for employers, non-employer contributing entities, and employees are established and may be amended in accordance with Title 11 and Title 22 of the Louisiana Revised Statutes. According to state statute, employer contributions are actuarially-determined each year. For the year ended June 30, 2024, employer and employee contribution rates for members above the poverty line were 33.25% and 10.00%, respectively.

The District's employer contributions to the System for the years ending December 31, 2024, 2023, and 2022, were \$225,982, \$219,232, and \$214,917 respectively, equal to the required contributions for each year.

The total employees' portion paid for the years ended December 31, 2024, 2023, and 2022, was \$67,965, \$65,934, and \$64,193, respectively.

Non-employer Contributions - According to state statute, the System receives insurance premium assessments from the state of Louisiana. The assessment is considered support from a non-employer contributing entity and appropriated by the legislature each year based on an actuarial study. Non-employer contributions received by the District during the year ended June 30, 2024, were \$72,257.

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**5. Pension Plan (Continued)**

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

At December 31, 2024, the District reported a liability of \$1,304,782 for its proportionate share of the net pension liability of the Plan. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2024, (Plan's measurement date), the District's proportion was 0.231732% which was an decrease of 0.019476% from the proportion measured as of June 30, 2023.

For the year ended December 31, 2024, the District recognized pension expense of \$2,875 representing its proportionate share of the Plan's net liability, including amortization of deferred amounts.

At December 31, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 97,959	\$ 31,031
Changes of assumptions	55,819	-
Net difference between projected and actual earnings on pension plan investments	13,198	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	125,302	146,891
Employer contributions subsequent to the measurement date	114,255	-
Total	<u>\$ 406,533</u>	<u>\$ 177,922</u>

The District reported a total of \$114,255 as deferred outflow of resources related to pension contributions made subsequent to the measurement period of June 30, 2024, which will be recognized as a reduction in net pension liability in the year ended December 31, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in Pension expense as follows:

December 31,	
2025 \$	(8,826)
2026	152,637
2027	(16,101)
2028	(16,591)
2029	8,065
2030	(4,828)
Total \$	<u>114,356</u>

*Actuarial Assumptions.* A summary of the actuarial methods and assumptions used in determining the total pension liability as of December 31, 2024 is as follows:

Valuation date	June 30, 2024
Actuarial cost method	Entry Age Normal
Actuarial Assumptions:	
Expected remaining service	7 years, closed period
Investment rate of return	6.90%, net of pension plan investment expense, including inflation.
Projected salary increases	14.10% in the 1 <sup>st</sup> 2 years of service and 5.20% with 3 or more years of services; includes inflation and merit increases.
Inflation rate	2.50%
Cost of living adjustments	For the purpose of determining the present value of benefits, COLAs were deemed not to be substantively automatic and only those previously granted were included.

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**5. Pension Plan (Continued)**

Mortality rates

For active members, mortality was set equal to the Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Employees.

For annuitants and beneficiaries, mortality was set equal to the Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Healthy Retirees.

For disabled retirees, mortality was set equal to the Pub-2010 Public Retirement Plans Mortality Table for Safety Disabled Retirees.

For mortality rate assumptions, in all cases, the base table was multiplied by 105% for males and 115% for females, each with full generational projection using the appropriate MP-2019 scale.

Investment Rate of Return – The long-term expected real rate of return is an important input into the actuary's determination of the reasonable range for the discount rate which is used in determining the total pension liability. The actuary's method incorporates information from multiple consultants and investments firms regarding future expected rates of return, variances, and correlation coefficients for each asset class. The change integrates data from multiple sources to produce average values thereby reducing reliance on a single data source.

The June 30, 2024, estimated long-term expected rate of return on pension plan investments was determined by the System's actuary using the System's target asset allocation as of January 2024 and the Curran Actuarial Consulting average study for 2024. The consultant average study included projected nominal rates of return, standard deviations of returns, and correlations of returns for a list of common asset classes collected from a number of investment consultants and investment management firms. Each consultant's response included nominal expected long term rates of return. In order to arrive at long-term expected arithmetic real rates of return, the actuary normalized the data received from the consultant's responses in the following ways. Where nominal returns received were arithmetic, the actuary simply reduced the return assumption by the long-term inflation assumption. Where nominal returns were geometric, the actuary converted the return to arithmetic by adjusting for the long-term standard deviation and then reduced the assumption by the long-term inflation assumption. Using the target asset allocation for the System and the average values for expected real rates of return, standard deviation of returns, and correlation of returns, an arithmetic expected nominal rate of return and standard deviation for the portfolio was determined. The System's long-term assumed rate of inflation of 2.50% was used in this process for the fiscal year ended June 30, 2024.

Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2024, are summarized in the following table:

Asset Type	Target Asset Allocation	Long-Term Expected Real Rate of Return
U.S. Equities	28.5%	6.24%
Non-U.S. Equities	11.0%	6.36%
Global Equities	10.0%	6.42%
Emerging Market Equities	4.50%	8.26%
U.S. Core Fixed Income	22.0%	2.09%
U.S. TIPS	2.0%	2.00%
Emerging Market Debt	2.0%	4.05%
Global Multisector Fixed Income	4.0%	2.34%
Private Equity/Private Debt	9.0%	9.77%
Real Estate	4.0%	4.85%
Real Assets	3.0%	5.93%
TOTALS	100%	



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**5. Pension Plan (Continued)**

Discount Rate - The discount rate used to measure the total pension liability was 6.90%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates, and that contributions from participating employers and non-employer contributing entities will be made at the actuarially-determined rates approved by the Board of Trustees and by the Public Retirement Systems' Actuarial Committee taking into consideration the recommendation of the System's actuary. Based on these assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity to Changes in Discount Rate – The following presents the net pension liability of the fund calculated using the discount rate of 6.9%, as well as what the Fund's net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current discount rate as of June 30, 2024:

Changes in Discount Rate			
	1.0% Decrease	Current Rate	1.0% Increase
	5.90%	6.90%	7.90%
Net Pension Liability	2,166,211	1,304,782	586,266

Change in Net Pension Liability – The changes in the net pension liability for the year ended December 31, 2024, were recognized in the current reporting period as pension expense except as follows:

*Differences between Expected and Actual Experience:*

Differences between expected and actual experience with regard to economic or demographic factors in the measurement of total pension liability were recognized in pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan.

*Differences between Projected and Actual Investment Earnings*

Differences between projected and actual investment earnings on pension plan investments were recognized in pension expense using the straight-line amortization method over a closed five-year period.

*Changes in Assumptions or Other Inputs*

Changes of assumptions about future economic or demographic factors or of other inputs were recognized in pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan.

*Changes in Proportion*

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

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

Retirement System Audit Report – The Firefighters' Retirement System issued a stand-alone audit report on its financial statements for the year ended June 30, 2024. Access to the audit report can be found on the System's website: [www.ffret.com](http://www.ffret.com) or on the Office of Louisiana Legislative Auditor's official website: [www.lla.la.gov](http://www.lla.la.gov).

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**6. Risk Management**

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

**7. Litigation**

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

**8. Compensation to Board Members**

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

**9. Cooperative Endeavor Agreements**

During 2019, the District, along with 5 other Parish Districts, entered into a Cooperative Endeavor Agreement with the DeSoto Parish Sheriff's Office. The Sheriff's Office will provide the Districts with adequate dispatching services for the annual sum of \$275,000 (payable in four quarterly payments) to be paid proportionally by each of the Districts based on 2018 millage revenues. The total portion for District 1 is \$35,074 (\$8,768.50 due quarterly). The DeSoto Sheriff agreed to hire 4 full time employees to provide the dispatching services and to employ a communications supervisor for those employees dispatching for the Districts.

During the year, the District entered into an agreement with the DeSoto Parish Ambulance Service (DPEMS) for DPEMS to provide vehicle maintenance services for the District at the DPEMS maintenance facility in Keatchie, Louisiana. The agreement is for \$12,500 per year with a one year term.

**10. On-Behalf Payments for Salaries**

The District recognized as general fund revenues and expenses, supplemental pay from the State of Louisiana to the District's employees. For the year ended December 31, 2024, the state contributed \$64,800.

**11. Subsequent events**

Management has performed an evaluation of the District's activities through September 12, 2025, and has concluded that there are no significant events requiring recognition or disclosure through the date and time these financial statements were available to be issued.

## REQUIRED SUPPLEMENTARY INFORMATION (PART II)

**DESOTO PARISH FIRE DISTRICT NO.1**  
Logansport, Louisiana

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

	Budgeted Amounts			Budgetary	Actual	Variance
	Original	Final	Actual	basis	amounts	with
				adjustment	budgetary	final
					basis	budget
						postive
						(negative)
<b>Revenues</b>						
Property taxes	\$ 2,068,072	\$ 2,068,072	\$ 2,069,929	\$ (182,282)	\$ 1,887,647	\$ (180,425)
Operating grants and contributions	-	-	2,000	-	2,000	2,000
Intergovernmental revenues	-	-	67,426	-	67,426	67,426
Miscellaneous income	-	-	74,338	-	74,338	74,338
Investment earnings	-	-	2,629	-	2,629	2,629
<b>Total revenues</b>	<u>2,068,072</u>	<u>2,068,072</u>	<u>2,216,322</u>	<u>(182,282)</u>	<u>2,034,040</u>	<u>(34,032)</u>
<b>Expenditures</b>						
Current						
General government - public safety	1,872,100	1,872,100	1,919,841	(16,355)	1,903,486	(31,386)
Capital outlays	<u>125,000</u>	<u>125,000</u>	<u>52,515</u>	<u>-</u>	<u>52,515</u>	<u>72,485</u>
<b>Total expenditures</b>	<u>1,997,100</u>	<u>1,997,100</u>	<u>1,972,356</u>	<u>(16,355)</u>	<u>1,956,001</u>	<u>41,099</u>
<b>Net change in fund balance</b>	70,972	70,972	243,966	(165,927)	78,039	7,067
<b>Fund Balance</b>						
Beginning of the year	<u>2,792,710</u>	<u>2,792,710</u>	<u>2,792,710</u>		<u>2,792,710</u>	<u>-</u>
End of the year	\$ <u>2,863,682</u>	\$ <u>2,863,682</u>	\$ <u>3,036,676</u>		\$ <u>2,870,749</u>	\$ <u>172,994</u>

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

**DESOTO PARISH FIRE DISTRICT NO.1**  
**Logansport, Louisiana**

**SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY (ASSET)**

For the year ended December 31, 2024

<u>*Year</u>	<u>Employer's proportion of the net pension liability (asset)</u>	<u>Employers proportionate share of the net pension liability (asset)</u>	<u>Employer's covered payroll</u>	<u>Employer's proportionate share of the net pension liability (asset) as a % of its covered payroll</u>	<u>Plan fiduciary net position as a % of the total pension liability (asset)</u>
Firefighters' Retirement System of Louisiana					
2015	0.196993%	1,063,193	463,004	230%	72.45%
2016	0.262003%	1,713,736	590,760	290%	68.16%
2017	0.249676%	1,431,105	588,062	243%	73.55%
2018	0.250109%	1,438,646	595,468	242%	74.76%
2019	0.245654%	1,538,263	593,713	259%	73.96%
2020	0.212183%	1,470,757	528,253	278%	72.61%
2021	0.219707%	778,609	599,143	130%	86.78%
2022	0.242627%	1,710,834	625,091	274%	74.68%
2023	0.251208%	1,639,586	676,032	243%	77.69%
2024	0.231732%	1,304,782	666,211	196%	81.68%

\*Amounts presented were determined as of the measurement date of the net pension plan.

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

**DESOTO PARISH FIRE DISTRICT NO.1**  
**Logansport, Louisiana**

**SCHEDULE OF EMPLOYER CONTRIBUTIONS TO PENSION PLAN**

For the year ended December 31, 2024

<u>*Year</u>	<u>Statutorily required Contributions</u>	<u>Contributions in relation to statutorily required contributions</u>	<u>Contribution deficiency (excess)</u>	<u>Employer's covered payroll</u>	<u>Contribution as a % of covered payroll</u>
Firefighters' Retirement System of Louisiana					
2015	150,891	150,891	-	534,836	28.21%
2016	160,828	160,828	-	612,129	26.27%
2017	151,454	151,454	-	585,165	25.88%
2018	158,482	158,482	-	598,044	26.50%
2019	151,234	151,234	-	558,284	27.09%
2020	174,401	174,401	-	577,781	30.18%
2021	203,795	203,795	-	616,570	33.05%
2022	214,917	214,917	-	641,931	33.48%
2023	219,232	219,232	-	659,343	33.25%
2024	225,982	225,982	-	679,647	33.25%

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

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

# DESOTO PARISH FIRE PROTECTION DISTRICT NO. 1

## Logansport, Louisiana

Notes to Required Supplementary Information  
As of and for the year ended December 31, 2024

### BUDGETARY INFORMATION

The DeSoto Parish Fire Protection District No. 1 (the District) uses the following budget practices:

The proposed budget for the General Fund is required to be prepared in accordance with the Louisiana Local Government Budget Act (the LLGBA) on the modified accrual basis of accounting and is required to be made available for public inspection at least fifteen days prior to the beginning of each fiscal year. The budget is then legally required to be adopted by the District in a public meeting. The budget is established and controlled by the District at the object level of expenditure. Appropriations lapse at year-end and must be reappropriated for the following year to be expended. All changes or amendments to the budget must be approved by the District Board of Commissioners in an open meeting. The District did not comply with the public participation requirements of the Louisiana Local Government Budget Act for the year ending December 31, 2024.

Formal budgetary integration is employed as a management control device during the year, and encumbrance accounting is not used by the District. The budget was not amended during the year.

The LLGBA provides that "the total proposed expenditures shall not exceed the total of estimated funds available for the ensuing year." The "total estimated funds available" is the sum of the respective estimated fund balances at the beginning of the year and the anticipated revenues for the current year. Amendments to the adopted budget are required if total revenues fail to meet budgeted revenues by 5% or more, and/or total actual expenditures exceed total budgeted expenditures by 5% or more. Total actual revenues adjusted to budgetary basis were \$34,032 (1.65%) less than budgeted amounts. Actual expenditures adjusted to budgetary basis were \$41,099 (2.06%) less than budgeted amounts.

### PENSION INFORMATION

The schedule of the Fire District's proportionate share of the net pension liability and the schedule of the Fire District's pension contributions are intended to show information for 10 years. Additional years will be displayed as they become available. There were no changes of benefit terms for the pension year ended June 30, 2024.

Changes of Assumptions:

<u>Year ended June 30,</u>	<u>Discount rate</u>	<u>Investment rate of return</u>	<u>Inflation Rate</u>	<u>Expected remaining Lives</u>	<u>Projected salary increase</u>
2015	7.50%	7.50%	2.875%	7	Range
2016	7.50%	7.50%	2.875%	7	Range
2017	7.40%	7.40%	2.775%	7	Range
2018	7.30%	7.30%	2.700%	7	Range
2019	7.15%	7.15%	2.500%	7	Range
2020	7.00%	7.00%	2.500%	7	Range
2021	6.90%	6.90%	2.500%	7	Range
2022	6.90%	6.90%	2.500%	7	Range
2023	6.90%	6.90%	2.500%	7	Range
2024	6.90%	6.90%	2.500%	7	Range

## SUPPLEMENTARY INFORMATION



**DESOTO PARISH FIRE DISTRICT NO.1**

Logansport, Louisiana

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

For the year ended December 31, 2024

**Mark Magee, Fire Chief**

## Purpose:

	Amount
Salary	\$ 119,959
Benefits- Medicare	2,361
Benefits- Social Security	-
Retirement	39,886
Health insurance	18,807
Deferred compensation	-
Other benefits	-
Payroll taxes	-
Car Allowance	-
Reimbursements	-
Per diem travel	-
Travel - lodging	-
Registration fees	-
Conferences and seminars	-
Continuing professional education fees	-
Cell phone	-
Unvouchered expenses	
Special meals	

Supplementary information  
See the accompanying independent auditor's report.

OTHER REPORTS REQUIRED BY  
*GOVERNMENT AUDITING STANDARDS*



# Dees Gardner, Certified Public Accountants, LLC

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## **Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards***

DeSoto Parish Fire Protection District No. 1  
Logansport, Louisiana

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the *Louisiana Governmental Audit Guide* the financial statements of the governmental activities and the major fund of the DeSoto Parish Fire Protection District No. 1 (the District), a component unit of the DeSoto Parish Policy Jury, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated September 12, 2025.

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

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

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and responses, we identified certain deficiencies in internal control that we consider to be material weaknesses. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and responses as items 2024-01, 2024-02, and 2024-03 that we consider to be material weaknesses.

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

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance and other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and responses as items 2024-04, 2024-05, 2024-06, and 2024-07.

## **DeSoto Parish Fire Protection District No. 1's Responses to Findings**

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

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However, this report is a matter of public record, and its distribution is not limited. Under Louisiana Revised Statute 21:513, this report is distributed by the Louisiana Legislative Auditor as a public document in accordance with Louisiana Revised Statute 44:6.

*Dees Gardner, Certified Public Accountants, LLC*

Mansfield, Louisiana  
September 12, 2025

**DESOTO PARISH FIRE DISTRICT NO.1**  
Logansport, Louisiana  
**Schedule of Findings**  
For the Year ended December 31, 2024

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

INDEPENDENT AUDITOR'S REPORT:

We have audited the basic financial statements of the DeSoto Parish Fire Protection District No. 1 (the District) as of and for the year ended December 31, 2024, and have issued our report thereon dated September 12, 2025. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the *Louisiana Governmental Audit Guide*. Our audit of the financial statements as of December 31, 2024, resulted in an unmodified opinion.

REPORT ON COMPLIANCE AND INTERNAL CONTROL OVER THE FINANCIAL REPORTING:

Internal Control

Significant Deficiency  
Material Weaknesses

☐ Yes  
☒ Yes

☒ No  
☐ No

Compliance

Noncompliance Material to Financial Statements

☒ Yes

☐ No

A management letter was not issued.

FEDERAL AWARDS

Not applicable

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

FINDINGS RELATED TO INTERNAL CONTROL

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

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

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

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

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

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

## **2024-02. Bank reconciliations are not timely prepared**

*Criteria:* Reconciling the bank balances with the book balances is necessary to ensure that (1) all receipts and disbursements are recorded by the entity; (2) checks are clearing the bank in a reasonable time; (3) errors, unrecorded deposits and checks and other reconciling items are being recorded; and (4) the reconciled cash balance agrees to the general ledger cash balance.

*Condition:* The entity does not prepare bank reconciliations within two months of the close of a month.

*Cause:* Management and/or the Board are not monitoring and reviewing the reconciliation process.

*Effects:* (1) State statute allows thirty days to examine bank statements and canceled checks for unauthorized signatures or alterations. After thirty days, the entity is precluded from asserting a claim against the bank for unauthorized signatures or alteration. (2) Financial statements presented during board meetings could have material errors or omissions.

*Recommendation:* All transactions should be posted in a timely manner. Bank account reconciliations should be prepared for the preceding month in advance of board meetings and a board member who is knowledgeable about the Fire District's operations but does not handle cash, post ledgers, or sign or prepare checks should review bank reconciliations, bank statements, and supporting documentation immediately upon completion.

## **2024-03. Inadequate segregation of duties and oversight over purchasing, and disbursements**

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

*Condition:* It was routinely observed that disbursements lacked documentation of approval. In addition, several duplicate payments and overpayments suggest a lack of oversight.

*Cause:* Unknown.

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

*Recommendation:* Good internal controls should be established to the extent possible to prevent both intentional and unintentional errors. All disbursements, should be approved by an employee that does not post and process the payment. Management and the board should closely review approvals for payment. Board members should be familiar with the process of reviewing financial statements and bank reconciliations to identify potential errors.

## **FINDINGS RELATED TO COMPLIANCE**

### **2024-04. Noncompliance with Internal Revenue Service requirements**

*Criteria:* The IRS requires that 1099s be issued to certain vendors paid in the ordinary course of business.

*Condition:* Several 1099 eligible vendors were not sent 1099s as required by the IRS.

*Cause:* Unknown.

*Effect:* Penalties could be assessed by the IRS.

*Recommendation:* Management should ensure that all 1099 eligible vendors are sent 1099s as required.

#### **2024-05. Cooperative Endeavor Agreements and Disposition of Surplus Movable Property**

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

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

*Cause:* Unknown.

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

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

#### **2024-06. Noncompliance with the Local Government Budget Act**

*Criteria:* The Local Government Budget Act (LGBA), found in R.S. 39:1301-1315, directs political subdivisions of the State as to the manner in which the budget of the political subdivision shall be adopted and implemented. Political subdivisions that propose to spend more than \$500,000 from the general fund are required to 1) prepare a budget message; 2) a budget statement for the general fund with specific information including projected beginning and ending fund balances; 3) give notice via publication that the budget is available for inspection at least 15 days prior to the beginning of the fiscal year; 4) give notice via publication that public meeting will be held on the budget at least 10 days prior to the hearing; 5) hold a public hearing on the budget; 6) approve the budget in an open meeting; and 7) publish a notice certifying completion of the public participation requirements.

*Condition:* The District did not comply with the Local Government Budget Act rules.

*Cause:* Unknown.

*Effect:* The District is not in compliance with the Local Government Budget Act.

*Recommendation:* The board should ensure that the Louisiana Local Government Budget Act requirements are followed.

#### **2024-07. Late Submission of Report**

*Criteria.* Louisiana state law requires that the District have an annual audit performed and submitted to the Legislative auditor within six (6) months after the close of the fiscal year.

*Condition.* For the year ended December 31, 2024, the District did not submit the annual audit within six months after the close of their fiscal year.

*Cause.* Unknown.

*Effect.* The District is not in compliance with state law.

*Recommendation.* The District should designate staff to prepare for the annual audit so that audit documentation is prepared and made available to the auditor in a timely manner.

**DESOTO PARISH FIRE  
PROTECTION DISTRICT NO. 1**

300 Marshall Road  
Logansport, LA 71049

**MANAGEMENT'S RESPONSES TO THE AUDIT FINDINGS**

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

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

**2024-02.** Bank reconciliations are not timely prepared.

*Management's Response:* Management agrees with this finding and will follow the recommendations.

**2024-03** Inadequate segregation of duties and oversight over purchasing, disbursements and payroll

*Management's Response:* Management agrees with this finding and will follow the recommendations.

**2024-04.** IRS 1099 requirements.

*Management's Response:* Management agrees with this finding. Management will ensure that all 1099 eligible vendors are sent 1099s as required by Law.

**2024-05.** Cooperative Endeavor Agreements and Disposition of Surplus Movable Property Laws

*Management's Response:* Management agrees with this finding and will follow the recommendations.

**2024-06.** Noncompliance with the Local Government Budget Act

*Management's Response:* Management agrees with this finding and will comply with the Local Government Budget Act.

**2024-07.** Late Submission of Report

*Management's Response:* Management agrees with this finding and will follow the recommendations.

Mark Magee, Fire Chief  
DeSoto Parish Fire Protection District No. 1



**DESOTO PARISH FIRE DISTRICT NO.1**  
Logansport, Louisiana  
**Schedule of Prior Year Findings**  
For the Year ended December 31, 2024

**2023-01. 2022-01, 2021-01, 2020-01, 2019-01.** Inadequate design of internal control over financial closing and reporting.

Unresolved.

**2023-02.** Bank reconciliations are not timely prepared.

Unresolved.

**2023-03. 2022-03** Noncompliance with Internal Revenue Service requirements

Unresolved.

**2023-04.** Louisiana Public Bid Law Violation

Resolved in current year.

**2023-05.** Noncompliance with Disposition of Surplus Movable Property Laws

Unresolved.

OTHER REPORTS REQUIRED BY THE  
*LOUISIANA GOVERNMENTAL AUDIT GUIDE*



## Dees Gardner, Certified Public Accountants, LLC

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To the Board of Commissioners of DeSoto  
Parish Fire Protection District No. 1 and  
the Louisiana Legislative Auditor:

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, 2024, through December 31, 2024. DeSoto Parish Fire Protection District No. 1's (the District) management is responsible for those C/C areas identified in the SAUPs.

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

The procedures and associated findings are as follows:

### 1) **Written Policies and Procedures**

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

- xi. **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.
- xii. **Prevention of Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

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

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

---

- A. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
  - i. Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

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

- ii. For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual comparisons, at a minimum, on all proprietary funds, and semi-annual budget-to-actual comparisons, at a minimum, on all special revenue funds. Alternatively, for those entities reporting on the not-for-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.

*Procedure Results: Exception. Minutes reference budget to actual comparisons but evidence suggests that entity does not timely record or balance the books. Thus, any budget to actual comparisons would be incomplete.*

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

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

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

*Procedure Results: Exception. Entity did not receive written updates on the progress of resolving audit findings or discuss any corrective action plans..*

## **3) Bank Reconciliations**

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

*A listing of client bank accounts from management and management's representation that the listing is complete were obtained. The main operating account and 1 additional account was selected for review.*

- i. Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);
- ii. Bank reconciliations include written evidence that a member of management or a board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation within 1 month of the date the reconciliation was prepared (e.g., initialed and dated, electronically logged); and
- iii. Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

*Procedure results: Exceptions noted with all procedures..*

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

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- A. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

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

- B. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (e.g. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if there are no written policies or procedures, then inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

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

- i. Employees responsible for cash collections do not share cash drawers/registers;
  - ii. Each employee responsible for collecting cash is not also responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit; and
  - iii. Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit; and
  - iv. The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or custodial fund additions is (are) not also responsible for collecting cash, unless another employee/official verifies the reconciliation.
- C. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe that the bond or insurance policy for theft was in force during the fiscal period.
- D. Randomly select two deposit dates for each of the 5 bank accounts selected for "Bank Reconciliations" procedure #3A (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). Obtain supporting documentation for each of the 10 deposits and:

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

- i. Observe that receipts are sequentially pre-numbered.
- ii. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
- iii. Trace the deposit slip total to the actual deposit per the bank statement.
- iv. Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
- v. Trace the actual deposit per the bank statement to the general ledger.

*Procedure Results: No exceptions were noted as a result of these procedures.*

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

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- A. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).

*A listing of locations that process payments for the fiscal period and management's representation that the listing is complete were obtained. The only location of the entity was selected.*

- B. For each location selected under procedure #5A above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job

duties (if the agency has no written policies and procedures, then inquire of employees about their job duties), and observe that job duties are properly segregated such that:

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

*Procedure results: Disbursements were observed that did not clearly document review and approval.*

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

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- A. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.
- A listing of active cards for the fiscal period and management's representation that the listing is complete were obtained.*
- B. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement). Obtain supporting documentation, and:
- A random monthly statement for all 4 cards of the entity selected for review.*
- i. Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder; and
  - ii. Observe that finance charges and late fees were not assessed on the selected statements.
- C. Using the monthly statements or combined statements selected under procedure #6B above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (e.g. each card should have 10 transactions subject to inspection). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3)



documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and observe whether management had a compensating control to address missing receipts, such as a “missing receipt statement” that is subject to increased scrutiny.

*Procedure results: Fuel card statement review and approval doesn't include review of a usage report.*

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

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- A. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, and obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:

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

- i. If reimbursed using a per diem, observe that the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov));
- ii. If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased;
- iii. Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policies and procedures procedure 1A (vii); and
- iv. Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

*Procedure results: No exceptions to entity policy were noted but policy rates can exceed rates GSA rates..*

## **8) Contracts**

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

*A listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period and management's representation that the listing is complete were obtained.*

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

*Procedure results: No exceptions were noted as a result of these procedures.*

## **9) Payroll and Personnel**

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- A. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

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

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

*Procedure results: No exceptions were noted as a result of these procedures.*

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#### **10) Ethics**

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

*Procedure results: No exceptions were noted as a result of these procedures.*

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#### **11) Debt Service**

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

*Procedure results: Section not applicable to entity. No debt.*

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#### **12) Fraud Notice**

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

*No misappropriations reported by entity.*

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

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



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

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A. Perform the following procedures:

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

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

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

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- A. Using the 5 randomly selected employees/officials from "Payroll and Personnel" procedure #9A, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.
- B. Observe that the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).

*Procedure results: No exceptions noted to these procedures.*

- C. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe it includes the applicable requirements of R.S. 42:344:
- i. Number and percentage of public servants in the agency who have completed the training requirements;  
*17 of 22 completed training, 77%*
  - ii. Number of sexual harassment complaints received by the agency;  
*0.*
  - iii. Number of complaints which resulted in a finding that sexual harassment occurred;  
*0.*
  - iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action;  
and  
*0.*
  - v. Amount of time it took to resolve each complaint.  
*0.*

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

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

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.

*Dees Gardner, Certified Public Accountants, LLC*

Mansfield, LA  
September 12, 2025

**DESOTO PARISH FIRE  
PROTECTION DISTRICT NO. 1**

300 Marshall Road  
Logansport, LA 71049

**Management responses to statewide agreed upon procedure exceptions:**

**Section 2 – Board or Finance Committee**

Management will ensure that accurate and up-to-date financial information will be prepared for monthly board meetings. Such information will include budget to actual comparisons. The board and management agree to prepare a corrective action plan for audit findings and will discuss the results at meetings.

**Section 3 – Bank Reconciliations**

Management will make sure bank reconciliations are prepared timely, that management approval is documented, and that outstanding items are reviewed moving forward.

**Section 5 – Non-Payroll Disbursements**

Management will ensure that all disbursements include documentation of review and approval before payment is made.

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

Management will ensure that review and approval of fuel card statements includes review of a usage report for any purchase exceptions.

**Section 14 – Sexual Harassment**

Management will ensure that all board members complete sexual harassment training as required.

Mark Magee, Fire Chief  
DeSoto Parish Fire Protection District No. 1