DESOTO PARISH COMMUNICATIONS DISTRICT
(a component unit of DeSoto Parish Police Jury)

ANNUAL FINANCIAL REPORT
DECEMBER 31, 2025

DeSoto Parish Communications District
Annual Financial Report
December 31, 2025

T A B L E O F C O N T E N T S

DESOTO PARISH COMMUNICATIONS DISTRICT

Mansfield, Louisiana

MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2025

As management of the DeSoto Parish Communications District (the "District"), we offer the readers of the District's financial statements this narrative overview and analysis of the financial activities of the District as of and for the year ended December 31, 2025. We encourage readers to consider the information presented here in conjunction with the District's basic financial statements and supplementary information provided in this report in assessing the efficiency and effectiveness of our stewardship of public resources.

The District was determined to be a component unit of the DeSoto Parish Police Jury. The accompanying financial statements present information only on the funds maintained by the District.

FINANCIAL HIGHLIGHTS

The District experienced an increase in its net position of $225,979 (5.13%) during the year ended December 31, 2025, compared to an increase of $503,552 (12.92%) during the prior year.

Program revenues remained relatively stable year over year, decreasing $12,467 (2.46%) to $494,723 for the year ended December 31, 2025, from $507,190 in 2024.

Ad valorem tax revenues decreased $57,470 (5.89%) to $918,161 during December 31, 2025 from $975,631 during the prior year. This decrease was due to a decrease in assessed property values during the year.

During the year ended December 31, 2025, the District's total expenses, excluding depreciation and amortization expenses of $237,902, remained fairly stable, increasing $32,671 (3.51%) to $964,461 compared to $931,790 in 2024.

Total liabilities for the District increased by $504,256 (250.97%) in the current year to $705,175 from $200,919 in 2024 due to the acquisition of a new right-of-use asset.

OVERVIEW OF FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements include three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains additional required supplementary information (budgetary schedules) and supplementary information in addition to the basic financial statements. These components are described below:

Government-wide Financial Statements

The government-wide financial statements provide a broad view of the District's operations in a manner similar to a private-sector business. The statements provide both short-term and long-term information about the District's financial position, which assists users in assessing the District's economic condition at the end of the year. These statements are prepared using the economic resources measurement focus and the accrual basis of accounting similar to methods used by most businesses. These statements report all revenues and expenses connected with the year even if cash has not been received or paid and include all assets of the District as well as all liabilities. The government-wide financial statements include two statements:

- The *statement of net position* presents all of the District's assets and liabilities, with the difference between the two reported as "net position". Over time, increases or decreases in the District's 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 District's net position changed during the most recent year using the full accrual basis of accounting. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Therefore, some revenues and some expenses that are reported in this statement will not result in cash flows until future years.

The government-wide financial statements can be found immediately following this discussion and analysis.

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.

Governmental funds. The services provided by the District are financed through 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, the governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources at the end of the year. Such information may be useful in evaluating the District's near-term financing requirements. This approach is known as using the flow of financial resources measurement focus and the modified accrual basis of accounting. These statements provide a detailed short-term view of the District's finances and assists in determining whether there will be adequate financial resources available to meet the current needs of the District.

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, users may better understand the long-term impact of the District's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and the governmental activities. These reconciliations are presented on the page immediately following each governmental fund's financial statement.

The District maintains one governmental fund, the general fund, which is its only major fund. 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. The notes to the financial statements can be found immediately following the basic financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

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

SUPPLEMENTARY INFORMATION

The schedule of compensation, benefits and other payments to agency head or chief executive officer is presented to fulfill the requirements of Louisiana Revised Statute 24:513(A)(3). The administrator, along with all other staff of the District, are employees of the DeSoto Parish Sheriff's Office. There is also supplementary information to comply with Louisiana Revised Statute 33:9109E.

FINANCIAL ANALYSIS OF GOVERNMENT-WIDE ACTIVITIES

Net position may serve over time as a useful indicator of the District's financial position. As of December 31, 2025, the District's assets exceed its liabilities by $4,626,988 (net position).

$2,786,556 or 60.22% of the District's total net position is unrestricted as of December 31, 2025, and may be used to meet the ongoing obligations to the citizens of DeSoto Parish. The remaining portion of the District's total net position, $1,840,432 or 39.78%, reflects its net investment in capital assets which is comprised of capital assets with an historical cost of $3,947,086, less accumulated depreciation of $1,606,728, and less associated debt of $499,926.

Total net accounts receivable decreased $55,931 or 5.45% primarily resulting from the decreased ad valorem tax revenues previously referenced and the decreased receivables associated therewith.

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

Assets		December 31, 2025		December 31, 2024
Cash and cash equivalents	$	1,842,902	$	1,440,817
Investments		173,481		167,444
Accounts receivable		970,968		1,026,899
Other current assets		4,454		4,449
Capital assets, net		2,340,358		1,962,319
Total Assets		5,332,163		4,601,928
Liabilities				
Accounts and other payables		205,249		200,919
Lease obligations due within one year		119,496		-
Lease obligations due after one year		380,430		-
Total Liabilities		705,175		200,919
Net Position				
Net investment in capital assets		1,840,432		1,962,319
Unrestricted		2,786,556		2,438,690
Total Net Position	$	4,626,988	$	4,401,009

A Summary of Statement of Activities is as follows:

		For year ended December 31, 2025		For year ended December 31, 2024
Revenue				
Program revenues:				
Charges for services	$	487,119	$	507,190
Operating grants and contributions		7,604		-
General revenues:				
Ad valorem taxes		918,161		975,631
Other general revenues		6,518		66,666
Interest		8,940		-
Total revenues		1,428,342		1,549,487
Expenses				
Public Safety		1,202,363		1,045,935
Total expenses		1,202,363		1,045,935
Change in net position		225,979		503,552
Net position, beginning of year		4,401,009		3,897,457
Net position, end of year	$	4,626,988	$	4,401,009

As the above presentation demonstrates, the District has increased its reserves by $225,979 or 5.13%.

The District received 64.28% ($918,161) and 62.96% ($975,631) of its total revenues through property taxes during the years ending December 31, 2025 and December 31, 2024, respectively.

The District received 34.10% ($487,119) and 32.73% ($507,190) of its total revenues through charges for services during the years ending December 31, 2025 and December 31, 2024, respectively.

FINANCIAL ANALYSIS OF THE DISTRICT'S GOVERNMENTAL FUNDS

For the year ended December 31, 2025, differences between the government-wide presentation and the fund financial statements were due to depreciation and amortization charges associated with capital assets, principal payments on leases of right-of-use assets, and differences in unavailable property tax revenue.

As of the end of the year, the District's only governmental fund, the general fund, reported an ending fund balance of $2,766,934, an increase of $337,939 (13.91%) compared to the prior year fund balance of $2,428,995.

GENERAL FUND 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 – R.S. 39:1301 et seq.). The District did not amend the original budget during the year. Actual revenues adjusted to budgetary basis were $62,307 (4.05%) less than the final budgeted amounts. Actual expenditures adjusted to budgetary basis were less than the budgeted amounts by $134,924 (11.10%). The District is in compliance with the Local Government Budget Act.

CAPITAL ASSET ADMINISTRATION

The District added a new right-of-use asset during the year ended December 31, 2025.

DEBT ADMINISTRATION

At December 31, 2025, the District has debt associated with one right-of-use lease:

	Balance at 12/31/2025	Due in 1 year
Beginning Lease Obligations	$ -	$ -
Additions	615,942	119,496
Deductions	(116,016)	-
Ending Lease Obligations	$ 499,926	$ 119,496

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

For the fiscal year ending December 31, 2026, the following factors were considered when the budget was prepared:

- Ad valorem revenues are expected to remain stable.
- Program revenues, charges for services, will remain stable.
- Expenditures for public safety are expected to remain stable.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the DeSoto Parish Communications District, 264 Oak Street, Mansfield, LA 71052.

T | C | B | T
THOMAS, CUNNINGHAM, BROADWAY & TODTENBIER
Certified Public Accountants

Eddie G. Johnson, CPA – A Professional Corporation (1927-1996)

Mark D. Thomas, CPA – A Professional Corporation
Roger M. Cunningham, CPA, LLC
Jessica H. Broadway, CPA – A Professional Corporation
Ryan E. Todtenbier, CPA – A Professional Corporation

321 Bienville Street
Natchitoches, Louisiana 71457
(318) 352-3652
Fax (318) 352-4447
www.tcbtcpa.com

INDEPENDENT AUDITOR'S REPORT

To the Governing Body for
DeSoto Parish Communications District
Mansfield, Louisiana

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and major fund of the DeSoto Parish Communications District (the District), a component unit of the DeSoto Parish Police Jury, as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and major fund of the District as of December 31, 2025, and the respective changes in financial position 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 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 related to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis (pages 1 through 4) and the Budgetary Comparison Schedule (page 19) be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer 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 June 29, 2026, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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* in considering the District's internal control over financial reporting and compliance.

Thomas, Cunningham, Broadway + Todtenbier, CPA's

Thomas, Cunningham, Broadway & Todtenbier, CPA's
Natchitoches, Louisiana

June 29, 2026

STATEMENT A

DeSoto Parish Communications District
Mansfield, Louisiana

Governmental Fund Balance Sheet / Statement of Net Position
December 31, 2025

	Governmental Funds Financial Statements **Balance Sheet** General Fund	Adjustments	Government-wide Statements **Statement of Net Position**
Assets			
Current assets:			
Cash and cash equivalents	$ 1,842,902	$ -	$ 1,842,902
Investments	173,481	-	173,481
Ad valorem taxes receivable	898,374	-	898,374
Other receivables	72,594	-	72,594
Prepaid expenses	4,104	-	4,104
Utility Deposit	350	-	350
Noncurrent assets:			
Capital assets, net	-	2,340,358	2,340,358
Total assets	$ 2,991,805	$ 2,340,358	$ 5,332,163
Liabilities			
Current liabilities:			
Accounts payable	$ 205,249	$ -	$ 205,249
Noncurrent liabilities:			
Lease obligations due within one year	-	119,496	119,496
Lease obligations due after one year	-	380,430	380,430
Total liabilities	205,249	499,926	705,175
Deferred inflows of resources			
Unavailable ad valorem taxes	19,622	(19,622)	-
Total deferred inflows of resources	19,622	(19,622)	-
Fund balance / Net position			
Fund balance:			
Nonspendable	4,454	(4,454)	-
Unassigned	2,762,480	(2,762,480)	-
Total fund balance	2,766,934	(2,766,934)	-
Total liabilities, deferred inflows of resources, and fund balance	$ 2,991,805	(2,286,630)	705,175
Net position:			
Net investment in capital assets		1,840,432	1,840,432
Unrestricted		2,786,556	2,786,556
Total net position		$ -	$ 4,626,988

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

STATEMENT B

DeSoto Parish Communications District
Mansfield, Louisiana

Reconciliation of Fund Balance on the Balance Sheet for Governmental Fund to Net Position of Governmental Activities on the Statement of Net Position
December 31, 2025

Total Fund Balance - Governmental Fund		$ 2,766,934
Capital assets used in governmental activities are not current financial resources and therefore, are not reported in the governmental funds		
Add - Capital assets	$ 3,947,086	
Deduct - Accumulated depreciation and amortization	(1,606,728)	2,340,358
Unavailable revenues are reported as deferred inflows of resources in the governmental funds, but are reflected as income in the Government-wide statements.		
Deferred ad valorem taxes		19,622
Long-term liabilities are not due and payable in the current period and are not included in the fund financial statements but are included in the governmental activities of the Statement of Net Position.		
Lease obligations		(499,926)
Total Net Position of Governmental Activities		$ 4,626,988

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

STATEMENT C

DeSoto Parish Communications District
Mansfield, Louisiana

Statement of Governmental Fund Revenues, Expenditures and Changes in Fund Balance / Statement of Activities
For the year ended December 31, 2025

	Governmental Funds Financial Statements: Statement of Revenues Expenditures, and Changes in Fund Balance — General Fund	Adjustments	Government-wide Statements: Statement of Activities
Expenditures / Expenses			
Current			
General Government - Public Safety	$ 945,983	$ -	$ 945,983
Capital outlays	615,942	(615,942)	-
Debt service:			
Principal	116,015	(116,015)	-
Interest	18,478	-	18,478
Depreciation	-	237,902	237,902
Total expenditures / expenses	1,696,418	(494,055)	1,202,363
Program revenues			
Charges for services	487,119	-	487,119
Operating grants & contributions	7,604	-	7,604
Total program revenues	494,723	-	494,723
Net program revenue (expense)			(707,640)
General revenues			
Ad valorem taxes	908,234	9,927	918,161
Interest earnings	8,940	-	8,940
State revenue sharing	6,518	-	6,518
Total general revenues	923,692	9,927	933,619
Excess (deficiency) of revenues over expenditures	(278,003)		
Other financing sources (uses)			
Proceeds from new lease	615,942	(615,942)	-
Total other financing sources (uses)	615,942	(615,942)	-
Net change in fund balance / Change in net position	337,939	(111,960)	225,979
Fund balance / Net position			
Beginning of the year	2,428,995		4,401,009
End of the year	$ 2,766,934		$ 4,626,988

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

STATEMENT D

DeSoto Parish Communications District
Mansfield, Louisiana

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of the Governmental Fund to the Statement of Activities
For the year ended December 31, 2025

Net change in Fund Balance - Governmental Fund	$	337,939
Governmental funds report capital outlays as expenditures. However in the Statement of Activities, the cost of assets are capitalized and allocated over their estimated useful lives and reported as depreciation. Therefore, capital expenditures are not recorded in the Statement of Activities.		
Capital outlays		615,942
Depreciation and amortization		(237,902)
The issuance of long-term debt provides current financial resources to government funds while the repayment of principal of long-term debt consumes financial resources.		
Proceeds from new lease		(615,942)
Principal payments on long-term debt		116,015
Because of the timing of actual receipt, some revenues are not considered "available" to pay current obligations and are not reported in the governmental funds.		
Change in deferred ad valorem taxes		9,927
Net change in Net Position	$	225,979

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

INTRODUCTION

DeSoto Parish Communications District (the "District") was created by the DeSoto Parish Police Jury (the "DPPJ"), as authorized by Louisiana Revised Statute 33:9101 on September 11, 1991, and was approved by the citizens of DeSoto Parish in a special election held November 16, 1991. The District is responsible for maintaining and operating the parish-wide Emergency 911 system and equipment, and providing emergency dispatch services to the residents in DeSoto Parish. Effective January 29, 2019, the DPPJ adopted an ordinance designating itself as the governing authority of the District. The District is staffed by an administrator, an office manager, and numerous dispatchers, all of whom are employees of the DeSoto Parish Sheriff's Office. Staffing is provided pursuant to a Cooperative Endeavor Agreement between the Police Jury and the Sheriff's Office.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation

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. 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 Statute 24:513 and the *Louisiana Governmental Audit Guide.*

The significant accounting and reporting policies and practices used by the District are described below.

B. Reporting Entity

The District was determined to be a component unit of the DeSoto Parish Police Jury, the financial reporting entity. The Police Jury is financially accountable for the District because it appoints or ratifies a voting majority of the board and has the ability to impose its will on them. The accompanying financial statements present information only on the funds maintained by the District and do not present information on the Police Jury, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

C. Fund Accounting

The District uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain District functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts.

Governmental funds are used to account for a government's general activities, where the focus of attention is on the providing of services to the public as opposed to proprietary funds where the focus of attention is on recovering the cost of providing services to the public or other agencies through service charges or user fees. The District has one governmental fund, the general fund.

The emphasis of fund financial statements is on major funds, each displayed in a separate column. A fund is considered major if it is the primary operating fund of an entity. The only governmental fund of the District, the general fund, is the only recognized major fund.

The general fund, as provided by Louisiana Revised Statute 13:5522, is the principal fund and is used to account for the operations of the District's office. The District's primary sources of revenue are ad valorem taxes and parcel fees. General operating expenditures are paid from the general fund.

D. Basis of Accounting/Measurement Focus

Governmental Fund Financial Statements

The columns labeled Governmental Funds Financial Statements for the General Fund are accounted for using a current financial resources measurement focus. With this measurement focus only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach is then reconciled, through adjustment, to a government-wide view of District operations.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Basis of Accounting/Measurement Focus (continued)

The amounts reflected in the General Fund use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Accordingly, revenues are recorded when received in cash, except that revenues subject to accrual (generally received within 60 days after year-end) are recognized when due. Expenditures are recorded when the related fund liability is incurred, except for interest and principal payments on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

The governmental funds use the following practices in recording revenues and expenditures:

Revenues

Ad valorem taxes and parcel fees are recorded in the year the taxes and fees are assessed. Ad valorem taxes are assessed on a calendar year basis and attach as an enforceable lien and become due and payable on the date the tax rolls are filed with the recorder of mortgages. Louisiana Revised Statute 47:1993 requires that the tax roll be filed on or before November 15 of each year. Ad valorem taxes become delinquent if not paid by December 31. The taxes are generally collected in December of the current year and January and February of the ensuing year.

Federal and state entitlements are recorded as unrestricted grants-in-aid when available and measurable. Revenue from federal and state grants is recognized when all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when resources are required to be used or the year when use is first permitted; matching requirements in which the District must provide local resources to be used for a specified purpose; and expenditure requirements in which the resources are provided to the District on a reimbursement basis.

Interest earnings on deposits are recorded when earned.

Those revenues susceptible to accrual are property taxes, grants, contracts, interest revenue and charges for services. Substantially all other revenues are not susceptible to accrual because generally they are not measurable until received in cash.

Expenditures

Purchases of various operating supplies are recorded as expenditures in the accounting period in which they are purchased. Substantially all other expenditures are recognized as expenditures when the related fund liability has been incurred. Sales of assets and compensation for loss of assets are accounted for as other financing sources (uses). These other sources (uses) are recognized at the time the underlying events occur.

Government-Wide Financial Statements

The Statement of Net Position and the Statement of Activities display information about the District as a whole. These statements include all the financial activities of the District. Information contained in these columns reflect the economic resources measurement focus and the accrual basis of accounting. The accounting objectives of the economic resources measurement focus are the determination of operating income, changes in net position (or cost recovery) and financial position. All assets and liabilities (whether current or noncurrent) associated with the District's activities are reported. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed).

The statement of activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients for goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Program revenues reduce the cost of the function to be financed from the District's general revenues. Revenues that are not classified as program revenues, including interest, are presented as general revenues.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Cash, Cash Equivalents, and Investments

Cash includes cash on hand, amounts in demand deposits, interest-bearing demand deposits, and money market accounts.

Cash equivalents include time deposits (certificates of deposit), short-term, highly liquid investment with original maturities of ninety (90) days or less when purchased including amounts invested in the Louisiana Asset Management Pool, Inc. (LAMP), a non-profit corporation formed by an initiative of the State Treasurer and organized under the laws of the State of Louisiana, which operates a local government investment pool.

Investments are limited by Louisiana Revised Statute 33:2955 and for the District are limited to time deposits (certificates of deposit) with original maturities greater than 90 days when purchased.

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. In addition, local Louisiana governments are authorized to invest in LAMP.

F. Prepaid Expenses

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

G. Accounts Receivable

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, equipment, and right-of-use leased assets, are reported in the governmental activities column in the government-wide financial statements. Under GASB 87, the District recognizes all leases over one year in term, with a present value of future lease payments exceeding $7,500 as right-of-use assets. For recognized right-of-use leases, the right-of-use asset is amortized over the term of the lease. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. All other capital assets are capitalized at historical cost. The District maintains a threshold level of $2,500 or more for capitalizing capital assets other than right-of-use assets. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Capital assets are recorded in the Statement of Net Position and Statement of Activities. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes, no salvage value is taken into consideration for depreciation purposes.

All capital assets, other than land and right-of-use assets, are depreciated using the straight-line method. Depreciation and amortization is reported as an expense in the statement of activities, with accumulated depreciation and amortization reflected in the statement of net position. Assets reported in the fund financial statements for governmental funds exclude capital assets. The governmental funds financial statements report the acquisition of capital assets as expenditures. The range of estimated useful lives by type of asset is as follows:

Description	Estimated
Vehicle	5 years
Furniture, fixtures, & equipment	5-10 years
Buildings	40 years

I. Unavailable ad valorem taxes

The District recognizes property tax revenues in accordance with Section P70, “Property Taxes” of the Codification of Governmental Accounting and Financial Reporting Standards on the Fund statements. Unpaid property taxes as of December 31, 2025, are recorded as a receivable. Those net property taxes receivable which were not collected within 60 days immediately following December 31, 2025, are recorded as unavailable tax revenue.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

J. Net Position and Fund Equity

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

a. Net investment in capital assets--Consists of capital assets including restricted capital assets, net of accumulated depreciation, and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
b. Restricted net position--Consists of net position with constraints placed on the use by (1) external groups, such as creditors, grantors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
c. Unrestricted net position--Consists of all other net position that does not meet the definition of "restricted" or "net investment in capital assets."

The District's policy is to consider restricted net position to have been depleted before unrestricted net position is applied.

Fund Balances. The District uses fund balance categories to make the nature and extent of the constraints placed on a government's fund balances more transparent.

The following classifications describe the relative strength of the spending constraints:

1. Nonspendable--Amounts that are not in spendable form (such as prepaid expenses) because they are legally or contractually required to be maintained intact.
2. Restricted--Amounts constrained to specific purposes by their providers (such as grantors or higher levels of government).
3. Committed--Amounts 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.
4. Assigned--Amounts the District intends to use for a specific purpose.
5. Unassigned--All other spendable amounts.

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

The General Fund has unassigned fund balance of $2,762,480 at December 31, 2025. Prepaid items and a utility deposit totaling $4,454 are considered Nonspendable Fund Balance.

K. 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, CASH EQUIVALENTS, AND INVESTMENTS

Cash and Cash Equivalents:

At December 31, 2025, the District has cash and cash equivalent balances totaling $1,842,902 (book balance). Cash consists only of interest-bearing demand deposits.

Investments:

At December 31, 2025, the District has investment balances totaling $173,481 (book balance). Investments consist only of certificates of deposit (CD's) with maturities of one year or less when acquired.

The CD's are stated at cost, which approximates fair value.

2. CASH, CASH EQUIVALENTS, AND INVESTMENTS (continued)

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

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, 2025, the District has $2,018,185 in deposits (collected bank balances). These deposits were protected by $673,481 in federal depository insurance and pledged securities with a market value of $2,312,656 held by the custodial banks in the name of the District. The District was in compliance with Louisiana Revised Statute 39:1224.

Interest Rate Risk: This is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment has, the greater the sensitivity of its fair value to changes in market interest rates. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

3. OTHER ACCOUNTS RECEIVABLE

Other accounts receivable at December 31, 2025 consist of only telephone tariff charges.

4. AD VALOREM TAXES

The District levies taxes on real and business personal property located within the boundaries of DeSoto Parish. Property taxes are levied by the District on property values assessed by the DeSoto Parish Assessor and approved by the State of Louisiana Tax Commission. For the year ended December 31, 2025, the District has authorized and levied ad valorem tax millage of 1.09 mills with recognized ad valorem collections of $918,161.

The DeSoto Parish Sheriff's office 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, 2025
Levy date	June 30, 2025
Tax bills mailed	October 15, 2025
Total taxes are due	December 31, 2025
Penalties & interest added	January 31, 2026
Tax sale	May 16, 2026

A revaluation of all property is required to be completed not less than every four years. The last revaluation was completed for the roll of January 1, 2024. Total assessed value for the District was $892,022,920 in 2025. Louisiana state law exempts the first $75,000 of assessed value of a taxpayer's primary residence from parish property taxes. This homestead exemption was a total of $49,673,582 in the assessed value in 2025 or $54,144 in reduced taxes for 2025. The Louisiana Industrial Ad Valorem Tax Exemption program (Louisiana Administrative Code, Title 13, Chapter 5) is a state incentive program which abates, up to ten years, local ad valorem taxes on a manufacturer’s new investment and annual capitalized additions related to the manufacturing site. Applications to exempt qualified property for five years are approved by the Louisiana Economic Development’s Board of Commerce and Industry. The exemption may be renewed for an additional five years. Under agreements entered into by the State of Louisiana, through the Louisiana Industrial Ad Valorem Tax Exemption program, the DeSoto Communications District ad valorem tax revenues were reduced by $15,878 for the fiscal year ending December 31, 2025.

4. AD VALOREM TAXES (continued)

The following are the principal taxpayers for the District (2025 amounts):

TAXPAYER	TYPE OF BUSINESS	ASSESSED VALUATION	% OF TOTAL ASSESSED VALUATION	Ad Valorem Tax Revenue for E911
Expand Energy Corporation	Oil & Gas	$ 146,931,156	16.47%	$ 151,221
International Paper Co	Manufacturing	94,231,677	10.56%	96,958
Comstock Oil & Gas	Oil & Gas	73,516,610	8.24%	75,656
DTM Louisiana Gas Gathering	Oil & Gas	34,321,665	3.85%	35,349
Enterprise Gathering LLC	Oil & Gas	30,926,307	3.47%	31,860
Enable Midstream Partners LP	Oil & Gas	27,759,940	3.11%	28,555
Louisiana Midstream Gas Service	Oil & Gas	24,816,392	2.78%	25,525
Acadian Gas Pipeline System	Oil & Gas	20,019,500	2.24%	20,567
DTM LEAP Gas Gathering LLC	Oil & Gas	19,736,908	2.21%	20,291
TGG Pipeline LTD	Oil & Gas	17,009,189	1.91%	17,537
		$ 489,269,344	54.84%	$ 503,519

5. CAPITAL ASSETS

Capital asset balances and activity for the year ended December 31, 2025, are as follows:

Governmental Activities Capital assets not being depreciated:	Balance 12/31/2024	Additions	Deletions/ Reclassifications	Balance 12/31/2025
Land	$ 162,860	$ -	$ -	$ 162,860
Capital assets being depreciated or amortized:				
Buildings and improvements	2,237,810	-	-	2,237,810
Furniture, fixtures, and equipment	900,419	-	-	900,419
Vehicles	30,055	-	-	30,055
Right-of-use assets	-	615,942	-	615,942
Total	3,168,285	615,942	-	3,784,226
Less accumulated depreciation and amortization for:				
Buildings and improvements	543,920	75,149	-	619,069
Furniture, fixtures, and equipment	794,851	39,565	-	834,416
Vehicles	30,055	-	-	30,055
Right-of-use assets	-	123,188	-	123,188
Total	1,368,826	237,902	-	1,606,728
Capital Assets, Net	$ 1,962,319	$ 378,040	$ -	$ 2,340,358

Depreciation and amortization expense of $237,902 was charged to the public safety function.

The District has the following right-of-use lease:

Effective January 28, 2025, the District entered into a lease agreement with AT&T Capital Services, Inc., for equipment, software, maintenance, and services needed for the 911 operating system. The agreement is for a term of five years with annual payments totaling $134,494 to be paid in arrears.

The following are the associated future lease payments:

Year Ending December 31,	Principal	Interest	Total
2026	$ 119,496	$ 14,998	$ 134,494
2027	123,081	11,413	134,494
2028	126,773	7,720	134,494
2029	130,576	3,917	134,494
Total	$ 499,926	$ 38,048	$ 537,976

6. RISK MANAGEMENT

The District is exposed to various risks of loss related to limited torts, theft of or damage to and destruction of assets and errors and omissions. To handle some of the risk, the District maintains surety bond coverage. 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, 2025.

7. COMMITMENTS AND CONTINGENCIES

The District is a party to a Cooperative Endeavor Agreement with the DeSoto Parish Sheriff's Office, wherein the District agrees to pay the Sheriff's Office an annual fee to provide all personnel necessary to facilitate the District's communications functions (including salaries and benefits). The agreement renews automatically on an annual basis effective July 1 of each year. The total fee for the year ended December 31, 2025 is $785,000.

8. COMPENSATION TO BOARD MEMBERS

The DPPJ members, as the governing body for the District, receive no compensation from the District for services provided.

9. RELATED PARTY TRANSACTIONS

Procedures, observations, and inquires did not disclose any material related party transactions for the year ended December 31, 2025.

10. LONG-TERM DEBT

The following is a summary of changes in long-term liabilities reported in the government-wide financial statements for the fiscal year ended December 31, 2025:

	Balance at 12/31/2025	Due in 1 year
Beginning Lease Obligations	$ -	$ -
Additions	615,942	119,496
Deductions	(116,016)	-
Ending Lease Obligations	$ 499,926	$ 119,496

11. SUBSEQUENT EVENTS

Management has performed an evaluation of the District's activities through June 29, 2026, 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.

SCHEDULE 1

DeSoto Parish Communications District
Mansfield, Louisiana

Budgetary Comparison Schedule - General Fund
For the year ended December 31, 2025

	Budgeted Amounts Original	Budgeted Amounts Final	Actual	Adjust to budgetary basis	Actual Amounts budgetary basis	Variance with final budget positive (negative)
Revenues						
Charges for services	$ 516,920	$ 516,920	$ 487,119	$ -	$ 487,119	$ (29,801)
Operating grants & contributions	-	-	7,604	-	7,604	7,604
Ad valorem taxes	975,632	975,632	908,234	57,575	965,809	(9,823)
Interest earnings	7,500	7,500	8,940	-	8,940	1,440
State revenue sharing	12,600	12,600	6,518	-	6,518	(6,082)
Other income	25,645	25,645	-	-	-	(25,645)
Total Revenues	1,538,297	1,538,297	1,418,415	57,575	1,475,990	(62,307)
Expenditures						
Current						
General Government - Public Safety	965,400	965,400	945,983	-	945,983	19,417
Capital outlays	100,000	100,000	615,942	(615,942)	-	100,000
Debt service:						
Principal	130,000	130,000	116,015	-	116,015	13,985
Interest	20,000	20,000	18,478	-	18,478	1,522
Total Expenditures	1,215,400	1,215,400	1,696,418	(615,942)	1,080,476	134,924
Excess (deficiency) of revenues over expenditures	322,897	322,897	(278,003)	673,517	395,514	72,617
Other financing sources (uses)						
Proceeds from new lease	-	-	615,942	(615,942)	-	-
Total other financing sources (uses)	-	-	615,942	(615,942)	-	-
Net Change in Fund Balance	322,897	322,897	337,939	57,575	395,514	72,617
Fund balances, beginning of year	2,428,995	2,428,995	2,428,995	-	2,428,995	-
Fund balances, end of year	$ 2,751,892	$ 2,751,892	$ 2,766,934	$ 57,575	$ 2,824,509	$ 72,617

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

DESOTO PARISH COMMUNICATIONS DISTRICT
Mansfield, Louisiana
NOTE TO BUDGETARY COMPARISON SCHEDULE
December 31, 2025

Budgetary Information

The DeSoto Parish Communications District (the District) is required by state law to adopt an annual budget.

The general fund budgetary comparison schedule includes an adjustment to budgetary basis for amounts related to right-of-use asset acquisitions during the year and for adjusting ad valorem tax revenues to the cash basis of accounting.

The following procedures are followed in establishing the budgetary data reflected in the financial statements:

> A proposed budget is prepared by the governing board in November and made available for public inspection no later than 15 days prior to December 31, of each year. In an open meeting prior to December 31, the budget is adopted and becomes part of the official minutes of the Communications District. The proposed budget for the General Fund is prepared on the cash basis of accounting.

Once a budget is approved, it can be amended by approval of a majority of the Board. Amendments are presented at a regular open meeting for Board approval. The budget was not amended during the year.

The budget is prepared in accordance with accounting principles generally accepted in the United States of America. Budgets for most governmental funds are adopted annually on the cash basis of accounting. Adjustments were made to the budget reporting to remove the modified accruals necessary in financial statement reporting. The budget comparison schedules present the original adopted budget and the final amended budget.

Louisiana Revised Statute (LSA-R.S.) 39:1311 states that if there is a five percent or greater shortage in revenue or a five percent or greater overage in expenditures, the governing authority must adopt a budget amendment. For the year ended December 31, 2025, actual adjusted revenue was less than the final budgeted amounts by $62,307 (4.05%). Actual adjusted expenditures were less than final budgeted amounts by $134,924 (11.10%).

The District is in compliance with the Local Government Budget Act R.S. 39:1301 et seq.

SCHEDULE 2

DeSoto Parish Communications District
Mansfield, Louisiana

SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS TO AGENCY HEAD OR CHIEF EXECUTIVE OFFICER
For the year ended December 31, 2025

Agency Head: Captain Phillip Daniels, DeSoto Parish Sheriff's Office

Purpose	Amount
Salary	-
State Supplemental Pay	-
Benefits - other	-
Payroll Taxes	-
Auto use	-
Vehicle provided by government	-
Per diem	-
Reimbursements	-
Travel	-
Registration fees	-
Conference travel	-
Continuing professional education fees	-
Dues	-
Unvouchered expenses	-
Special meals	-

Captain Daniels is an employee of the DeSoto Parish Sheriff's office. All compensation and benefits are paid directly by the Sheriff's office.

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

DESOTO PARISH COMMUNICATIONS DISTRICT

Mansfield, Louisiana

SUPPLEMENTARY INFORMATION IN ACCORDANCE WITH LOUISIANA REVISED STATUTE 33-9109

For the Year Ended December 31, 2025

In accordance with Louisiana Revised Statute 33:9109, the DeSoto Parish Communications District is authorized to collect emergency telephone service charges on wireless communications systems to pay the costs of implementing FCC ordered enhancements. Once these enhancements have been made and the system implementation is complete, the proceeds can be used for any lawful purpose of the Communication District.

The District's collections of wireless service charges totaled $212,728 for the year ending December 31, 2025.

T | C | B | T
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Certified Public Accountants

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Ryan E. Todtenbier, CPA – A Professional Corporation

321 Bienville Street
Natchitoches, Louisiana 71457
(318) 352-3652
Fax (318) 352-4447
www.tcbtcpa.com

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*

To the Governing Body of
DeSoto Parish Communications District
DeSoto Parish, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the *Louisiana Governmental Audit Guide*, the financial statements of the governmental activities and major fund as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the DeSoto Parish Communications District's (District) basic financial statements and have issued our report thereon dated June 29, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing 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 a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However, this report is a matter of public record and its distribution is not limited. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

Thomas, Cunningham, Broadway + Todtenbier, CPA's

Thomas, Cunningham, Broadway & Todtenbier, CPA's
Natchitoches, Louisiana

June 29, 2026

DeSoto Parish Communications District
Schedule of Audit Results
Year Ended December 31, 2025

I. SUMMARY OF AUDIT RESULTS

The following summarizes the audit results:

1. An unmodified opinion was issued on the financial statements of the DeSoto Parish Communications District as of and for the year ended December 31, 2025.

2. The audit disclosed no material weaknesses in internal control.

3. The audit disclosed no instances of noncompliance required to be reported under *Government Auditing Standards*.

II. FINDINGS IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

None.

III. PRIOR YEAR AUDIT FINDINGS

None.

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

To the DeSoto Parish Communications District 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, 2025 through December 31, 2025. The DeSoto Parish Communications District's (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, 2025 through December 31, 2025. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed many not address all the items of interest to a user for 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:

Written Policies and Procedures

1. We obtained and inspected the entity's written policies and procedures and observed that they address each of the following categories and subcategories (or noted that the entity does not have any written policies and procedures), as applicable:

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

   - ***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.

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

   - ***Receipts/Collections***, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation.)

- ***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(s) rate of pay or approval and maintenance of pay rate schedule.

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

- ***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).

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

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

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

- ***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.

- ***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 these procedures.

Board or Finance Committee

2. We obtained and inspected the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent documents in effect during the fiscal period, and:

   - Observed 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.

   - Observed that the minutes referenced or included monthly budget-to-actual comparisons on the General Fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds.

   - Obtained the prior year audit report and observed the unassigned fund balance in the General Fund. If the General Fund had a negative ending unrestricted fund balance in the prior year audit report, observed 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.

- Observed 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: No exceptions were noted as a result of these procedures.

Bank Reconciliations

3. We obtained a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. Management identified the entity's main operating account. We selected the entity's main operating account and randomly selected 4 additional accounts (or all if less than 5). We randomly selected one month from the fiscal period, and obtained and inspected the corresponding bank statement and reconciliation for the selected accounts, and observed that:

   - Bank reconciliations include evidence that they were prepared within two months of the related statement closing date (e.g. initialed and dated, electronically logged);

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

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

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

Collections (excluding electronic funds transfers)

4. We obtained a listing of deposit sites for the fiscal period where deposits for cash/check/money order (cash) are prepared and management's representation that the listing is complete. We randomly selected 5 deposit sites (or all deposit sites if less than 5).

5. We obtained a listing of collection locations and management's representation that the listing is complete. We randomly selected one collection location for each deposit site selected. We obtained and inspected written policies and procedures relating to employee job duties (if no written policies or procedures, inquired of employees about their job duties) at each collection location, and observed that job duties were properly segregated at each collection location such that:

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

   - Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.

   - 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.

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

6. We obtained from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. We observed that the bond or insurance policy for theft was enforced during the fiscal period.

7. We randomly selected two deposit dates for each of the bank accounts selected for procedure #3 under "Bank Reconciliations" above (selected the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly selected a deposit if multiple deposits were made on the same day). We obtained supporting documentation for each of the deposits selected and:

   - We observed that receipts are sequentially pre-numbered.

   - We traced sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.

   - We traced the deposit slip total to the actual deposit per the bank statement.

   - We observed 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).

   - We traced the actual deposit per the bank statement to the general ledger.

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

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

8. We obtained a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. We randomly selected the required amount of disbursement locations (up to five).

9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. We obtained written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and we observed that job duties are properly segregated such that:

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

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

   - 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.

   - 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.

   - 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 electronic means.

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

    - We observed that the disbursement matched the related original itemized invoice and that documentation indicates that deliverables included on the invoice were received by the entity.

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

11. Using the entity's main operating account and the month selected in procedure #3 under Bank Reconciliations, we randomly selected 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observed that each electronic disbursement was (a) approved by only those persons authorizedto 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. If no electronic payments were made from the main operating account during the month selected, we selected an alternative month and/or account for testing that does include electronic disbursements.

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

Credit Cards/Debit Cards/Fuel Cards/Purchase Cards

12. We obtained 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. We obtained management's representation that the listing is complete.

13. Using the listing prepared by management, we randomly selected the required amount of cards (up to five) that were used during the fiscal period. We randomly selected one monthly statement or combined statement for each card (for a debit card, randomly selected one monthly bank statement), and obtained supporting documentation, and:

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

    - We observed that finance charges and late fees were not assessed on the selected statements.

14. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, we randomly selected the required amount transactions (up to ten) from each statement, and obtained supporting documentation for the transactions. For each transaction, we observed that it is supported by (1) an original itemized receipt that identified 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, we described the nature of the transaction and noted whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

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

Travel and Expense Reimbursement

15. We obtained 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. We randomly selected five reimbursements, and obtained the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the five reimbursements selected:

    - If reimbursed using a per diem, we observed that the approved reimbursement rate is no more than those rates established by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).

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

    - We observed that each reimbursement was supported by documentation of the business/public purpose (for meal charges, we observed that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).

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

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

Contracts

16. We obtained 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. We obtained management's representation that the listing is complete. We randomly selected the required amount of contracts (up to five) from the listing, excluding our contract, and:

    - We observed that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.

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

    - If the contract was amended (e.g. change order), we observed 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 was approval documented).

    - We randomly selected one payment from the fiscal period for each of the selected contracts, obtained the supporting invoice, agreed the invoice to the contract terms, and observed 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.

Payroll and Personnel

17. We obtained a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. We randomly selected five employees/officials, obtained related paid salaries and personnel files, and agreed paid salaries to authorized salaries/pay rates in the personnel files.

18. We randomly selected one pay period during the fiscal period. For the five employees/officials selected under #16 above, we obtained attendance and leave documentation for the pay period, and:

    - We observed that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory).

    - We observed that supervisors approved the attendance and leave of the selected employees/officials.

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

    - We observed that the rate paid to the employees or officials agree to the authorized salary/pay rate found with the personnel file.

19. We obtained a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. If applicable, we selected two employees or officials, and obtained related documentation of the hours and pay rates used in management's termination payment calculations and the entity policy on termination payments. If applicable, we agreed the hours to the employees or officials' cumulative leave records, and the pay rates to the employee or officials' authorized pay rates in the employee or officials' personnel files, and the termination payment to entity policy.

20. We obtained management's representation that employer and employee portions of third-party payroll related amounts (e.g. payroll taxes, retirement contributions, health insurance premiums, workers' compensation premiums, etc.) have been paid, and associated forms have been filed, by required deadlines.

Procedure Results: This category is not applicable to the District, as all staffing is provided by CEA with DeSoto Parish Sheriff's Office.

Ethics

21. Using the five randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, we obtained ethics compliance documentation from management, and:

    - We observed that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.

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

22. We inquired and/or observed 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.

Debt Service

23. We obtained a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. We selected all debt instruments on the listing, obtained supporting documentation, and observed that State Bond Commission approval was obtained for each bond/note issued.

24. We obtained a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. We randomly selected one bond/note, inspected debt covenants, obtained supporting documentation for the reserve balance and payments, and agreed 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: No exceptions were noted as a result of these procedures.

Fraud Notice

25. We obtained a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. We selected all misappropriations on the listing, obtained supporting documentation, and observed that the entity reported the misappropriation(s) to the legislative auditor and the District attorney of the parish in which the entity is domiciled.

26. We observed whether 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.

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

Information Technology Disaster Recovery/Business Continuity

27. We performed the following procedures:

    - We obtained and inspected the entity's most recent documentation that it has backed up its critical data (if no written documentation, inquired of personnel responsible for backing up critical data) and observed that such backup occurred within the past week. If backups are stored on the physical medium (e.g., tapes, CDs), we observed that backups are encrypted before being transported.

    - We obtained and inspected the entity's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquired of personnel responsible for testing/verifying backup restoration) and observed evidence that the test/verification was successfully performed within the past 3 months.

    - We obtained a listing of the entity's computers currently in use, and their related locations, and management's representation that the listing is complete. We randomly selected the required number of computers (at least 5) and observed 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.

28. We randomly selected 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #19, and observed evidence that the selected terminated employees have been removed or disabled from the network.

29. Using the 5 randomly selected employees/officials from procedure #17 under "Payroll and Personnel" above, we obtained cybersecurity training documentation from management, and observed that the documentation demonstrates that the selected 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.
    - 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.

Prevention of Sexual Harassment

30. We randomly selected the employees/officials from procedure #17 under "Payroll and Personnel" above, obtained sexual harassment training documentation from management, and observed 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.

31. We observed that the entity has posted its sexual harassment policy and complaint procedures on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).

32. We obtained the entity's annual sexual harassment report for the current fiscal period, observed that the report was dated on or before February 1, and observed that it includes the applicable requirements of R.S. 42:344:

    - Number and percentage of public servants in the agency who have completed the training requirements;

    - Number of sexual harassment complaints received by the agency;

    - Number of complaints which resulted in a finding that sexual harassment occurred;

    - Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and

    - Amount of time it took to resolve each complaint.

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

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.

Thomas, Cunningham, Broadway + Todtenbier, CPA's

Thomas, Cunningham, Broadway & Todtenbier, CPA's
Natchitoches, Louisiana

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