

DESOTO PARISH AMBULANCE SERVICE DISTRICT

Annual Financial Statements

June 30, 2020

DESOTO PARISH AMBULANCE SERVICE DISTRICT

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Dees Gardner, Certified Public Accountants, LLC

Deborah D. Dees, CPA/CFF

Maura Dees Gardner, CPA, CFE

Phone No. 318-872-3007

122 Jefferson Street

Mansfield, Louisiana

Fax No. 318-872-1357

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities and the general fund of the DeSoto Parish Ambulance Service District, a component unit of the DeSoto Parish Police Jury, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Ambulance Service District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States and the *Louisiana Audit Guide*. Those standards require we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the general fund of the DeSoto Parish Ambulance Service District, as of June 30, 2020, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplemental Information Part I

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

Required Supplemental Information Part II and Other Supplemental Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the DeSoto Parish Ambulance Service District's basic financial statements. The "Required Supplemental Information Part II" as listed in the table of contents and the accompanying financial information listed as "Other Supplemental Information" in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The "Required Supplemental Information Part II" and the accompanying "Other Supplemental Information" are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 7, 2020, on our consideration of the DeSoto Parish Ambulance Service District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part

of an audit performed in accordance with *Government Auditing Standards* and in considering the DeSoto Parish Ambulance Service District's internal control over financial reporting and compliance.

Dees Gardner, Certified Public Accountants, LLC

Mansfield, Louisiana

December 7, 2020

REQUIRED SUPPLEMENTAL INFORMATION (PART I)

DESOTO PARISH AMBULANCE SERVICE DISTRICT
d/b/a DeSoto EMS
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2020

Within this section of the DeSoto Parish Ambulance Service District's (doing business as DeSoto EMS) annual financial report, DeSoto EMS's management is pleased to provide this narrative overview and analysis of the financial activities of the Ambulance District as of and for the fiscal year ended June 30, 2020. The Ambulance District's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section. We encourage readers to consider the information presented here in conjunction with the Ambulance District's basic financial statements and supplemental information provided in this report in assessing the efficiency and effectiveness of our stewardship of public resources.

The DeSoto Parish Ambulance Service District was determined to be a component unit of the DeSoto Parish Policy Jury. The Jury is financially accountable for the district because it appoints or ratifies a voting majority of its board and has the ability to impose its will on them. The accompanying financial statements present information only on the funds maintained by the DeSoto Parish Ambulance Service District.

FINANCIAL HIGHLIGHTS

The DeSoto Parish Ambulance Service District's net position increased by \$96,935 or 0.52% for the year ended June 30, 2020.

The DeSoto Parish Ambulance Service District's total general revenues were \$5,155,500 in 2020 compared to \$5,087,056 in 2019 representing a 2% increase of \$88,984. Of this increase ad valorem taxes increased \$97,670, a 2% increase from 2019.

During the year ended June 30, 2020, the DeSoto Parish Ambulance Service District had total expenses of \$6,409,867 (which includes \$628,849 in depreciation) which is a 4.72% increase over 2019.

OVERVIEW OF THE FINANCIAL STATEMENTS

This Management's Discussion and Analysis document introduces the Ambulance District's basic financial statements. The basic financial statements include: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the basic financial statements. The basic financial statements include two kinds of financial statements that present different views of the Ambulance District – Governmental Fund Financial Statements and Government-wide Financial Statements. The Notes to the Financial Statements explain some of the information in the financial statements and provide additional detail. This report also contains additional required supplemental information (budgetary comparison schedule) in addition to the basic financial statements. These components are described below. The Ambulance District maintains one governmental fund, the General Fund.

GOVERNMENTAL FUND FINANCIAL STATEMENTS

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives and to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, governmental fund financial statements focus on the Ambulance District's most significant funds rather than the Ambulance District as a whole.

Governmental funds are reported in the governmental fund financial statements and encompass the same function reported as governmental activities in the government-wide financial statements. However, the focus is very different with fund statements providing a distinctive view of the Ambulance District's

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governmental funds. The governmental fund financial statements report short-term fiscal accountability focusing on the use of spendable resources and balances of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and commitment of spendable resources for the short term.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to assist in understanding the differences between these two perspectives. The governmental fund financial statements are presented in the first column of the basic financial statements in this report.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The Ambulance District's annual report includes two government-wide financial statements. These statements provide both long-term and short-term information about the Ambulance District's overall financial status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in accrual accounting. These statements report all revenues and expenses connected with the year, even if cash has not been received or paid and the statements include all assets of the Ambulance District as well as liabilities (long-term debt). The government-wide financial statements include two statements.

Statement of Net Position. This is the government-wide statement of position presenting information that includes all of the Ambulance District's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Ambulance District is improving or deteriorating. Evaluation of the overall health of the Ambulance District would also extend to other non-financial factors such as diversification of the taxpayer base, in addition to the financial information proved in this report.

Statement of Activities. This reports how the Ambulance District's net position changed during the current fiscal year. All current year revenues and expenses are included regardless of when cash is received or paid. An important purpose of the design of the statement of activities is to show the financial reliance of the Ambulance District's distinct activities or functions on revenues provided by the Ambulance District's taxpayers.

Currently, the Ambulance District has only governmental activities that provide for personnel services, medical supplies, repairs and maintenance, occupancy expenses, and other costs related to the proper administration of the District's ambulance services. Ambulance fees and ad valorem (property) taxes finance these activities. The government-wide financial statements are presented in the last column of the basic financial statements in this report.

NOTES TO THE BASIC FINANCIAL STATEMENTS

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

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REQUIRED SUPPLEMENTAL INFORMATION

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplemental information concerning the Ambulance District's budget presentations. A budgetary comparison statement is included as "required supplemental information" for the general fund. This statement is a required schedule demonstrating compliance with the adopted and final revised budget. Pension schedules required by GASB 68 are also included.

OTHER SUPPLEMENTAL INFORMATION

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of the Ambulance District's financial position. The DeSoto Parish Ambulance Service District's total net position changed from a year ago, increasing from \$18,500,731 to \$18,597,666.

	Governmental Activities		% Change
	2020	2019	
Current and other assets	\$ 10,866,288	\$ 10,747,499	1.11%
Capital assets	9,413,076	8,961,204	5.04%
Total assets	20,279,364	19,708,703	2.90%
Deferred outflows of resources	495,179	1,461,458	-66.12%
Total assets and deferred outflows of resources	20,774,543	21,170,161	-1.87%
Current liabilities	800,840	372,843	114.79%
Long-term liabilities	19,815	1,751,239	-98.87%
Total liabilities	820,655	2,124,082	-61.36%
Deferred inflows of resources	1,356,222	545,348	148.69%
Total liabilities and deferred inflows of resources	2,176,877	2,669,430	-18.45%
Net position:			
Net investment in capital assets	9,413,076	8,961,204	5.04%
Unrestricted	9,184,590	9,539,527	-3.72%
Total net position	\$ 18,597,666	\$ 18,500,731	0.52%

Net position of the DeSoto Parish Ambulance Service District's governmental activities increased by \$96,935 or 0.52%. The Ambulance District has no restrictions on its net position.

A portion of the Ambulance District's net position, \$9,413,076 (50.6%) reflects its investment in capital assets such as ambulances, buildings, medical and communication equipment, and software. The Ambulance District uses these capital assets to provide the services to the citizens of the parish; consequently, these assets are not available for future spending. There is no outstanding debt related to these assets.

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The remaining and largest portion of the Ambulance District's net position \$9,184,590 (49.4%) at June 30, 2020, is unrestricted and may be used to meet the Ambulance District's ongoing obligations to citizens and creditors at the discretion of the Board of Commissioners. These unrestricted assets consists primarily of cash, demand and time deposits, and ambulance service and ad valorem taxes receivables.

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

SUMMARY OF STATEMENTS OF ACTIVITIES

	Governmental Activities		% Change
	2020	2019	
Revenues			
Program revenues			
Charges for services	\$ 1,237,481	\$ 1,310,839	-5.60%
Federal grant	76,053	-	
Local grant & contributions	37,768	75,843	-50.20%
General revenues			
Ad valorem taxes	5,004,890	4,844,345	3.31%
Miscellaneous revenues	38,664	35,346	9.39%
Interest income	84,971	85,018	-0.06%
Rental income	11,534	13,933	-17.22%
Insurance proceeds	16,452	109,735	-85.01%
Loss on sale/donation of assets	(1,011)	(1,321)	-23.47%
Total revenues	<u>6,506,802</u>	<u>6,473,738</u>	<u>0.51%</u>
Public Safety-emergency medical services	5,850,228	5,739,515	1.93%
Administrative	559,639	381,440	46.72%
Total expenses	<u>6,409,867</u>	<u>6,120,955</u>	<u>4.72%</u>
Increases in net position	96,935	352,783	-72.52%
Net Position Beginning	18,500,731	18,147,948	1.94%
Net Position Ending	<u>\$ 18,597,666</u>	<u>\$ 18,500,731</u>	<u>0.52%</u>

Total revenues increased \$33,064 or 0.51% from \$6,473,738 in 2019 to \$6,506,802 in 2020.

The Ambulance District is heavily reliant on ad valorem (property) taxes to support its operations. Property taxes provided 76.92% of the total revenues in the year ended June 30, 2020. Ad valorem taxes increased \$160,545.

Charges for services are for reimbursements from insurance companies—primarily Medicare and Medicaid. The ambulance service is provided at no out-of-pocket cost to the parish residents. Charges for services provided 19.02% of the total revenue for the current year and 20.25% of the total revenue for the prior year. These charges decreased \$73,358 (5.60%) from \$1,310,839 for the year ended June 30, 2019, to \$1,237,481 for the year ended June 30, 2020.

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June 30, 2020

During the year ended June 30, 2020, total expenses of the Ambulance District increased \$288,912, up 4.72% over the previous year.

Government fund analysis. As the Ambulance District completed the year, its general fund reported a fund balance of \$10,015,869, which is an 3.04% decrease over last year's fund balance of \$10,329,663. Expenditures increased from \$5,650,792 for the year ended 2019 to \$6,771,426 for 2020.

BUDGETARY HIGHLIGHTS

The Ambulance District adopted a budget for its General Fund for the year ended June 30, 2020. The budget was not amended during the year. The Ambulance District's budgetary comparison is presented as required supplemental information. Highlights for the year are as follows:

- Revenues received were more than the budgeted amounts by 10.84% due to a higher amount of ambulance service charges received than anticipated and ad valorem taxes being more than expected.
- Expenditures were 1.21% lower than budgeted amounts.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of June 30, 2020, the DeSoto Parish Ambulance Service District had invested \$9,413,076 in capital assets as follows:

Capital Assets at Year End (Net of Depreciation)

	Governmental Activities	
	2020	2019
Ambulances and vehicles	\$ 1,019,487	\$ 1,239,575
Medical equipment	409,785	487,745
Communications equipment	61,986	92,407
Other equipment	45,909	34,359
Furniture and fixtures	17,333	25,199
Building and Land	6,919,621	7,081,511
Billing/Payroll software	-	408
Construction in progress	938,955	-
Total	\$ 9,413,076	\$ 8,961,204

The construction of a new Station, Station 6, in Keatchie, Louisiana, was commenced but not completed during the year with land acquisition costs of \$30,000 and construction costs incurred at year end of \$938,954.79. A Chevy Tahoe driven by the administrator was purchased and outfitted for \$35,718.44. New medical equipment was purchased - a Lifepak Monitor and Defibrillator (\$29,999); and a Lucas chest compression system (\$16,910.93). Communications equipment was purchased: a Cradlepoint Mi-Fi and Antenna (\$1,289.59); and 2 Mobile APX 4500 units (\$5,234.30). The District also purchased the following other equipment: SWAT paramedics gear for (\$3,545.04); Clorox Spryer (\$3,995); Engine Hoist (\$6,500); Welding Machine (\$1,699.99); Exmark Mower (\$5,499.99); and a Portable cooling unit

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(\$2,385). More detailed information about the capital assets are presented in Note 4 to the financial statements.

Debt

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

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

Due to the COVID-19 pandemic, the United States has experienced volatile economic conditions and disruption of general business activities. It is unknown how this will affect the Parish Ambulance Service District's operations in the coming year at the date of this report. At the present time, the Parish Ambulance Service District has not experienced any major impact from the pandemic. Revenues have remained fairly constant.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens and taxpayers with a general overview of the finances for those funds maintained by the DeSoto Parish Ambulance Service District and to show the DeSoto Parish Ambulance Service District's accountability for the money it receives. If there are any questions about this report or additional financial information is needed, contact the Administrator, Joe Magee, at 231 EMS Circle, Mansfield, Louisiana, 71052.

BASIC FINANCIAL STATEMENTS

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

GOVERNMENTAL FUND BALANCE SHEET / STATEMENT OF NET POSITION

June 30, 2020

	Governmental Fund Financial Statements			Government-wide Statements	
	Balance Sheet			Governmental Activities	
ASSETS	General Fund	Adjustments		Statement of Net Position	
Cash and cash equivalents	\$ 10,357,728	\$ -	\$	10,357,728	
Ambulance service receivables, net of allowance for uncollectibles	337,030	-		337,030	
Ad valorem taxes receivable	51,907	-		51,907	
Accrued interest receivable	10,741	-		10,741	
Prepaid assets	108,882	-		108,882	
Capital assets (net)	-	9,413,076		9,413,076	
Total Assets	\$ 10,866,288	9,413,076		20,279,364	
DEFERRED OUTFLOWS OF RESOURCES					
Pension related		495,179		495,179	
Total Deferred Outflows of Resources		495,179		495,179	
Total Assets and Deferred Outflows of Resources			\$	20,774,543	
LIABILITIES					
Short-term liabilities:					
Accounts, salaries and other payables	\$ 760,849	-	\$	760,849	
Retainage payable - Station 6	39,991	-		39,991	
Long-term liabilities:					
Net pension liability	-	19,815		19,815	
Total Liabilities	800,840	19,815		820,655	
DEFERRED INFLOWS OF RESOURCES					
Unavailable ad valorem taxes	49,579	(49,579)		-	
Deferred lease income	-	426,708		426,708	
Pension related	-	929,514		929,514	
Total Deferred Inflows of Resources	49,579	1,306,643		1,356,222	
FUND BALANCE / NET POSITION					
Fund Balance:					
Nonspendable:					
Prepaid expenses	108,882	(108,882)		-	
Committed:					
Construction contract - Station 6	719,990	(719,990)		-	
Unassigned	9,186,997	(9,186,997)		-	
Total Fund Balance	10,015,869	(10,015,869)		-	
Total	\$ 10,866,288				
Net Position:					
Net investment in capital assets		9,413,076		9,413,076	
Unrestricted		9,184,590		9,184,590	
Total Net Position		\$ 18,597,666		18,597,666	
Total Liabilities, Deferred Inflows of Resources, and Net Position			\$	20,774,543	

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

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

**RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET TO
THE GOVERNMENT- WIDE STATEMENT OF NET POSITION**

June 30, 2020

Total Fund Balance, Governmental Fund	\$	10,015,869
<p>Amounts reported for governmental activities in the statement of net position is different because: therefore, are not reported in fund financial statements, but are reported in the governmental activities of the Statement of Net Position</p>		
Cost of capital assets		13,487,074
Less accumulated depreciation		<u>(4,073,998)</u>
		9,413,076
<p>Certain deferred outflows are reported in the Statement of Net Position but not in the governmental funds</p>		
Deferred outflows-pension related		495,179
<p>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.</p>		
		49,579
<p>Deferred lease income is reported as deferred inflows of resources in the government-wide statement, but is reflected as income in the governmental funds</p>		
		(426,708)
<p>Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds</p>		
Net Pension liability		(19,815)
Deferred inflows-pension related		<u>(929,514)</u>
Net Position of Governmental Activities in the Statement of Net Position	\$	<u>18,597,666</u>

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

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

STATEMENT OF GOVERNMENTAL FUND REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE /
STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2020

EXPENDITURES / EXPENSES	Governmental Fund Financial Statements		Government-wide Statements
	STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE		
	General Fund	Adjustments	Statement of Activities
Current:			
Public Safety:			
Personal services & related benefits	\$ 3,941,009	\$ 91,324	\$ 4,032,333
Operations	726,947	-	726,947
Occupancy	462,099	-	462,099
Depreciation	-	628,849	628,849
Administrative			
Administrative	559,639	-	559,639
Capital outlay	1,081,732	(1,081,732)	-
TOTAL EXPENDITURES / EXPENSES	6,771,426	(361,559)	6,409,867
PROGRAM REVENUES			
Charges for services	1,237,481	-	1,237,481
Operating grants and contributions	30,402	-	30,402
Capital grants and contributions	7,366	-	7,366
Federal Cares Act grants	76,053	-	76,053
TOTAL PROGRAM REVENUES	1,351,302	-	1,351,302
NET PROGRAM EXPENSE	5,420,124	(361,559)	5,058,565
GENERAL REVENUES			
Ad valorem taxes	5,000,305	4,585	5,004,890
Interest earnings	84,971	-	84,971
Rental income	-	11,534	11,534
Other revenue	4,602	34,062	38,664
TOTAL GENERAL REVENUES	5,089,878	50,181	5,140,059
Excess (Deficiency) of Revenues over Expenditures / Change in Net Position	(330,246)	411,740	81,494
Other Financing Sources (Uses)			
Insurance proceeds	16,452	-	16,452
Loss on disposed assets	-	(1,011)	(1,011)
TOTAL OTHER FINANCING SOURCES (USES)	16,452	(1,011)	15,441
Excess of Revenues and other Financing Sources over Expenditures / Change in Net Position	(313,794)	410,729	96,935
FUND BALANCE / NET POSITION			
Beginning of the year	10,329,663		18,500,731
End of the year	\$ 10,015,869		\$ 18,597,666

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

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d/b/a DeSoto EMS

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

For the Year Ended June 30, 2020

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

Net Change in Fund Balance, Governmental Fund	\$	(313,794)
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Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay	\$	1,081,732	
Depreciation expense		(628,849)	452,883

Revenue in the Statement of Activities that does not provide current financial resources are not reported as revenues in the funds.

Change in unavailable ad valorem taxes			4,585
Deferred lease income			11,534

In the Statement of Activities, the loss of the disposal of fixed assets is reported; whereas, in the governmental funds, the proceeds from the disposal increase financial resources. This amount is the sum of the proceeds (\$0) and the loss on the sale, donation and abandonment of fixed assets (\$1,011).

(1,011)

In the Statement of Activities pension benefits are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid).

Non-employer contributions to cost-sharing pension plan			34,062
Pension (expense) benefit			<u>(91,324)</u>

Change in Net Position of Governmental Activities	\$	<u>96,935</u>
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The accompanying notes are an integral part of this statement. See independent auditor's report.

NOTES TO THE FINANCIAL STATEMENTS

DESOTO PARISH AMBULANCE SERVICE DISTRICT
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INTRODUCTION

The Desoto Parish Ambulance Service District (DeSoto EMS) was created by a parish resolution on July 12, 2000. The District is comprised of all the territory located within the Parish of DeSoto. The District does business as DeSoto EMS. The District is governed by a Board of Commissioners who are appointed by the DeSoto Parish Police Jury. The Board of Commissioners received no compensation during 2019-2020. The purpose of the District is to provide ambulance service for the transportation of persons which necessitate ambulance care and for providing related services. The DeSoto EMS averages approximately fifty employees.

1. Summary of Significant Accounting Policies

The accompanying basic financial statements of the DeSoto Parish Ambulance Service District have been prepared in conformity with governmental accounting principles generally accepted (GAAP) in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement 34, *Basic Financial Statements- and Management's Discussion and Analysis – for State and Local Governments*, issued in June 1999; Statement 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*; and Statement 65, *Items Previously Reported as Assets and Liabilities*. Such accounting and reporting policies also conform to the requirements of Louisiana Revised Statutes 24:514 and to the guides set forth in the *Louisiana Governmental Audit Guide*.

The more significant accounting policies established in GAAP and used by the DeSoto Parish Ambulance Service District are discussed below.

A. Reporting Entity

GASB Statement No. 14 established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the DeSoto Parish Ambulance Service District is considered a component unit of the DeSoto Parish Police Jury. The Police Jury is financially accountable for the District because it appoints or ratifies a voting majority of the board and has the ability to impose its will on them.

The accompanying financial statements present information only on the funds maintained by the District and do not present information on the Police Jury, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

B. Measurement Focus / Basis of Accounting

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

Government-Wide Financial Statements

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

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1. Summary of Significant Accounting Policies (continued)

B. Measurement Focus / Basis of Accounting (continued)

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

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

The government-wide Statement of Activities reports both the gross and net cost of each of the DeSoto Parish Ambulance Service District's functions. The functions are supported by program revenues and general government revenues. The Statement of Activities reduces gross expenses (including depreciation) by any related program revenues, which must be directly associated with the function. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Program revenues of the District consist of ambulance fees billed to insurance companies and individuals. The net costs (by function) are normally covered by general revenues.

Fund Financial Statements

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

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

Governmental fund statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

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

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

B. Measurement Focus / Basis of Accounting (continued)

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

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

C. Cash, Cash Equivalents, and Investments

Cash includes amounts in interest-bearing demand deposits, and short-term timed deposits. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the District may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States or under the laws of the United States.

Investments are limited by Louisiana Revised Statute (R.S.) 33:2955. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents. Investments are carried at cost which approximates market.

D. Prepaid Items

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

E. Capital Assets

Capital assets purchased or acquired with an original cost of \$1,000 or more are reported at historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Buildings	25 - 40 years
Ambulances	5 - 7 years
Equipment	5 - 10 years

F. Compensated Absences

The Ambulance District offers vacation leave to full time employees in a two tiered system based on employee type. The vacation time granted is based on a calendar year and the employee's length of service. There is no carryover of vacation time from one calendar year to the next. Any vacation leave not used during the calendar year is paid out to employees at year end. Sick leave will accumulate for full-time employees at a rate of 4 hours per pay period to be used after one year of service. Accumulated sick leave is forfeited upon separation of employment; therefore under GASB Statement No. 16 guidelines compensated absences for sick pay are not recorded in the financial statements.

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1. Summary of Significant Accounting Policies (continued)

F. Compensated Absences (continued)

The following are the two vacation leave tiers and the associated levels of leave earned by employees based on length of service:

Paramedics Advanced EMT's	New Hires	120 paid hours (24 hours each) =	5 shifts
	After 2 years	192 paid hours (24 hours each) =	8 shifts
	After 3 years	288 paid hours (24 hours each) =	12 shifts
	After 10 years	336 paid hours (24 hours each) =	14 shifts
Office	New Hires	56 paid hours (8 hours each) =	7 shifts
	After 2 years	96 paid hours (8 hours each) =	12 shifts
	After 5 years	136 paid hours (8 hours each) =	17 shifts
	After 10 years	176 paid hours (8 hours each) =	22 shifts
	Administrator	320 paid hours (8 hours each) =	40 shifts

G. Unavailable Ad Valorem Taxes

Under the modified accrual basis of accounting, the DeSoto Parish Ambulance Service District's governmental funds will not recognize revenue until they are available (collected not later than 60 days after the District's year end). Accordingly, ad valorem taxes assessed, yet paid under protest, are reported as unavailable revenues in the governmental funds balance sheet only.

H. Risk Management

The DeSoto Parish Ambulance Service District is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets, errors and omissions, and injuries to employees. To handle such risks of loss, the EMS maintains commercial insurance policies covering: automobile liability, medical payments, uninsured motorist and collision, health insurance providing 100 percent coverage for any employee injured while on the job; and surety bond coverage. No claims were paid on any of the policies during the past three years that exceeded the policies' coverage amounts. In addition to the above policies, the District also maintains a liability insurance policy with the Louisiana Ambulance Service Districts' Risk Management Program. No claims have been paid on the policy during the past three years nor is the District aware of any unfiled claims.

I. Fund Equity

NET POSITION

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

1. *Net investment in capital assets*—consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
2. *Restricted net position*—consists of net position with constraints placed on the use by a) external groups, such as creditors, grantors, or laws or regulations of other government; or b) law through constitutional provisions or enabling legislation.

DESOTO PARISH AMBULANCE SERVICE DISTRICT
d/b/a DeSoto EMS
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

1. Summary of Significant Accounting Policies (continued)

I. Fund Equity (continued)

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

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

FUND BALANCES

As required by GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, this statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government’s fund balances more transparent. The following classifications describe the relative strength of the spending constraints:

- *Nonspendable* – Amounts that are not in spendable form (such as prepaid expenses) because they are legally or contractually required to be maintained intact
- *Restricted* – Amounts constrained to specific purposes by their providers (such as grantors or higher levels of government).
- *Committed* – Amounts which are subject to limitations or constraints to specific purposes the Ambulance District imposes upon itself at its highest level of decision making, the board of directors. These amounts cannot be used for any other purpose unless the Ambulance District takes the same highest level of action to remove or change the constraint.
- *Assigned* – Amounts neither restricted nor committed for which the Ambulance District intends to use for a specific purpose.
- *Unassigned* – Amounts that are available for any purpose.

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

J. Use of Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and reported revenues and expenses. Actual results could differ from those estimates.

K. Pension Plans

The DeSoto Parish Ambulance Service District is a participating employer in a cost-sharing, multiple-employer defined benefit pension plan as described in Note 6. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension benefit or expense, information about the fiduciary net position of each of the plans, and additions to / deductions for the plan’s fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments have been reported at fair value within the plan.

DESOTO PARISH AMBULANCE SERVICE DISTRICT
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NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

1. Summary of Significant Accounting Policies (continued)

L. Deferred Outflows/Inflows of Resources Related to Pensions

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

2. Cash and Cash Equivalents

At June 30, 2020, the District has cash and cash equivalents (book balances) totaling \$10,357,728 in interest-bearing demand and short-term timed deposits.

The cash and cash equivalents of the DeSoto EMS are subject to the following risks:

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

At June 30, 2020, the District has \$10,364,772 in deposits (collected bank balances). These deposits are secured from risk by \$750,000 of federal deposit insurance and pledged securities held by the custodial banks in the name of the fiscal agent banks with a total market value of \$11,476,702 (GASB Category 3).

Interest Rate Risk: This is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity is its fair value to changes in market interest rates. The EMS does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, as a means of offsetting exposure to interest rate risk, the EMS diversifies its investments by security type and institution.

3. Levied Taxes

The DeSoto Parish Ambulance Service District was authorized an ad valorem tax millage of 7.0 mills and levied taxes of 7.0 mills for 2019. This tax is for the purpose of paying the cost of providing ambulance service in the parish. This tax began in 2009 and was renewed for another period of ten years beginning with the year 2019 and ending with the year 2028.

The property tax calendar is as follows:

Assessment date	January 1, 2019
Levy date	June 30, 2019
Tax bills mailed	October 15, 2019
Total taxes due	December 31, 2019
Penalties & interest added	January 31, 2020
Tax sale	May 15, 2020

DESOTO PARISH AMBULANCE SERVICE DISTRICT
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NOTES TO THE FINANCIAL STATEMENTS
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3. Levied Taxes (continued)

Total assessed value was \$758,808,223 in 2019. 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 \$42,362,929 of the assessed value in 2019. The EMS adjusted ad valorem tax revenue was \$5,000,305.

The following are the principal taxpayers for the parish (2019 amounts):

Type of Business	2019 Taxable Valuation	2019 Assessed Tax	Percentage of Total Assessed Valuation
Manufacturing	\$72,862,486	\$510,037	10.17%
Oil & Gas	\$53,303,530	\$373,125	7.44%
Oil & Gas	\$50,151,171	\$351,058	7.00%
Oil & Gas	\$40,120,936	\$280,847	5.60%
Utility	\$36,538,710	\$255,771	5.10%
Oil & Gas	\$26,436,831	\$185,058	3.69%
Oil & Gas	\$25,075,585	\$175,529	3.50%
Oil & Gas	\$24,144,206	\$169,009	3.37%
Oil & Gas	\$22,281,449	\$155,970	3.11%
Utility	\$29,947,413	\$209,632	4.18%
	<u>\$380,862,317</u>	<u>\$2,666,036</u>	<u>53.16%</u>

Ad valorem taxes receivable at June 30, 2020, is \$51,907.

4. Capital Assets

Capital asset activity for the year ended June 30, 2020, was as follows:

	6/30/2019	Additions	Reclassifications/ Deductions	6/30/2020
Capital assets, not depreciated				
Construction in Progress	\$ -	\$ 938,955	\$ -	\$ 938,955
Land	416,990	30,000	-	446,990
Total capital assets, not depreciated	<u>416,990</u>	<u>968,955</u>	<u>-</u>	<u>1,385,945</u>
Capital assets, being depreciated				
Ambulances & Vehicles	2,821,373	35,718	-	2,857,091
Buildings	7,087,481	-	-	7,087,481
Furniture and Fixtures	85,527	-	-	85,527
Medical & Communication Equipment	1,573,112	77,059	(12,131)	1,638,040
Billing/payroll software	16,000	-	-	16,000
Total capital assets, being depreciated	<u>12,000,483</u>	<u>112,777</u>	<u>(12,131)</u>	<u>12,101,129</u>
Less accumulated depreciation for				
Ambulances & Vehicles	1,563,124	255,806	-	1,818,930
Buildings	845,191	191,889	-	1,037,080
Furniture and Fixtures	60,328	7,867	-	68,195
Medical & Communication Equipment	972,034	172,879	(11,120)	1,133,793
Billing software	15,592	408	-	16,000
Total accumulated depreciation	<u>3,456,269</u>	<u>628,849</u>	<u>(11,120)</u>	<u>4,073,998</u>
Total capital assets, net	<u>\$ 8,961,204</u>	<u>\$ (516,072)</u>	<u>\$ (1,011)</u>	<u>\$ 9,413,076</u>

Depreciation expense for the year ended June 30, 2020, was \$628,849. In the Statement of Activities, \$628,849 was included in public safety and \$0 was in administration.

DESOTO PARISH AMBULANCE SERVICE DISTRICT
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NOTES TO THE FINANCIAL STATEMENTS
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5. Net Ambulance Service Charges/Receivables

The receivable consists of \$337,030 due from insurance and Medicare/Medicaid for ambulance services provided.

Ambulance service charge receivable	\$ 1,442,555
Allowance for doubtful accounts	(1,105,525)
Net ambulance service charges receivable	\$ 337,030

The insurance companies only pay a percentage of the billings and the unpaid balance is recorded as contractual adjustments. Write-offs consist of DeSoto Parish private pay not required to pay for services and out-of-parish residents who have been identified as nonpaying. Accounts receivable activity for the year ending June 30, 2020:

Ambulance service charges and fees	\$ 2,264,037
Medicaid supplemental payments	16,419
Less contractual adjustments	(563,560)
Less exempt parish residents charges	(389,515)
Less write offs to bad debt expense	(89,900)
Net ambulance service charges and fees	\$ 1,237,481

6. Pension Plan

Plan description. Full-time employees (approximately 36) of the DeSoto Parish Ambulance Service District are members of the Parochial Employees Retirement System of Louisiana (System), a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees. The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All employees of the District are members of Plan A. Plan A was designated for employers out of Social Security.

Eligibility Requirements: All permanent employees working at least 28 hours per week are eligible to participate in the System on the date of employment. New employees meeting the age and Social Security criteria have up to 90 days from the date of hire to elect to participate. As of January, 1997, elected officials, except coroners, justices of the peace, and parish presidents may no longer join the System.

Retirement Benefits: The following is a description of the plan and its benefits and is provided for general information purposes only. Participants should refer to the appropriate statutes for more complete information.

Any member of Plan A can retire providing he/she meets one of the following criteria:

For employees hired prior to January 1, 2007:

1. Any age with thirty (30) or more years of creditable service
2. Age 55 with twenty-five (25) years of creditable service
3. Age 60 with a minimum of ten (10) years of creditable service.
4. Age 65 with a minimum of seven (7) years of creditable service.

For employees hired prior to January 1, 2007:

1. Age 55 with 30 years of service
2. Age 62 with 10 years of service
3. Age 67 with 7 years of service

Generally, the monthly amount of the retirement allowance of any member of Plan A shall consist of an amount equal to 3% of the member's final average compensation multiplied by his/her years of creditable service. However, under certain conditions, as outlined in the statutes, the benefits are limited to specified amounts.

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

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

Deferred Retirement Option Plan: In lieu of terminating employment and accepting a service retirement, any member of Plan A who is eligible to retire may elect to participate in the Deferred Retirement Option Plan (DROP) in which they are enrolled for three years and defer the receipt of benefits. During participation in the plan, employer contributions are payable but employee contributions cease. The monthly retirement benefits that would be payable, had the person elected to cease employment and receive a service retirement allowance, are paid into the DROP Fund. Upon termination of employment prior to or at the end of the specified period of participation, a participant in the DROP may receive, at his option, a lump sum from the account equal to the payments in to the account, a true annuity based upon his account balance in that fund, or roll over the fund to an Individual Retirement Account. Interest is accrued on the DROP benefits for the period between the end of DROP participation and the member's retirement date. For those eligible to enter DROP prior to January 1, 2004, all amounts which remain credited to the individual's subaccount after termination in DROP will be placed in liquid asset money market investments at the discretion of the board of trustees. These subaccounts may be credited with interest based on money market rates of return or, at the option of the System, the funds may be credited to self-directed subaccounts. The participant in the self-directed portion of DROP must agree that the benefits payable to the participant are not the obligations of the state or the System, and that any return and other rights of DROP are the sole liability and responsibility of the participant and the designated provider to which contributions have been made.

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

Cost of Living Increases: The Board is authorized to provide a cost of living allowance for those retirees who retired prior to July 1973. The adjustment cannot exceed 2% of the retiree's original benefit for each full calendar year since retirement and may only be granted if sufficient funds are available from investment income in excess of normal requirements. In addition, the Board may provide an additional cost of living increase to all retirees and beneficiaries who are over age 65 equal to 2% of the member's benefit paid on the member's retirement date. Also, the Board may provide a cost of living increase up to 2.5% for retirees 62 and older. Lastly, ACT 270 of 2009 provided for further reduced actuarial payments to provide a cost of living increase up to 2.5% cost of living adjustment commencing at age 55.

Contributions

As provided by R.S. 11:103, the employer contributions are actuarially determined each year. For the year ended December 31, 2019, the actuarially determined contribution rate was 12.18% of member's compensation for Plan A. However, the actual rate for the fiscal year ending December 31, 2019, was 11.5%. Contributions to the System also include one-fourth of one percent (except Orleans and East Baton Rouge parishes) of the taxes shown to be collectible by the tax rolls of each parish. Tax monies and revenue sharing monies are apportioned between Plan A and Plan B in proportion to the member's compensation. These additional sources of income are used as additional employer contributions and are considered support from Non-employer contributing entities.

DESOTO PARISH AMBULANCE SERVICE DISTRICT
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NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

6. Pension Plan (continued)

The contribution requirements of plan members and the District are established and may be amended by state statute. The District was accepted into the Plan on January 1, 2003. The District's contributions for the years ending June 30, 2020, 2019, and 2018 were \$318,555, \$297,240, and \$275,316, respectively, equal to the required contributions for each year.

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

At June 30, 2020, the DeSoto Parish Ambulance Service District reported a net pension liability of \$19,815 for its proportionate share of the net pension liability of the Plan. The net pension asset was measured as of December 31, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At December 31, 2019, the District's proportion was 0.420925% which was an increase of 0.026356% from the proportion measured as of December 31, 2018.

For the year ended June 30, 2020, the District recognized pension expense of \$400,496, representing its proportionate share of the Plan's net expense, including amortization of deferred amounts.

At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows	Deferred Inflows
Differences between expected and actual experience	-	177,386
Changes in Assumptions	276,739	-
Net Difference between projected and actual earnings on pension plan	-	742,764
Changes in employer's proportion of beg NPL	29,144	-
Differences between employer and proportionate share of contributions	25,882	(9,156)
Subsequent Measurement Contributions	163,415	-
Total	495,179	910,786

The District reported a total of \$163,415 as deferred outflow of resources related to pension contributions made subsequent to the measurement period of December 31, 2019, which will be recognized as a reduction in net pension liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

June 30,	
2020	(118,413)
2021	(164,613)
2022	28,756
2023	(334,401)
	\$ (588,672)

DESOTO PARISH AMBULANCE SERVICE DISTRICT
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NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

6. Pension Plan (continued)

Actuarial Methods: The net pension liability was measured as the portion of the present value of projected benefit payments to be provided through the pension plan to current active and inactive employees that is attributed to those employees past periods of service less the amount of the pension plan's fiduciary net position. The components of the net pension liability of the System's employers as of December 31, 2019, are as follows:

Total Pension Liability	\$	17,243,175
Plan Fiduciary Net Position		17,223,360
Total Net Pension Asset	\$	<u>19,815</u>

A summary of the actuarial methods and assumptions used in determining the total pension liability as of December 31, 2019, is as follows:

Valuation Date	December 31, 2019
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	6.50%, net of investment expense, including inflation
Expected Remaining Service Lives	4 years
Projected Salary Increases	4.75%
Cost of Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The present values do not include provisions for potential future increase not yet authorized by the Board of Trustees.
Mortality	Pub-2010 Public Retirement Plans Mortality Table for Health Retirees multiplied by 130% for males and 125% for females using MP2018 scale for annuitant and beneficiary mortality. For employees, the Pub-2010 Public Retirement Plans Mortality Table for General Employees multiplied by 130% for males and 125% for females using MP2018 scale. Pub-2010 Retirement Plans Mortality Table for General Disabled Retirees multiplied by 130% for males and 125% for females using MP2018 scale for disabled annuitants.'
Inflation Rate	2.40%

Discount Rate. The discount rate used to measure the total pension liability was 6.50 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers and non-employer contributing entities will be made at the actuarially determined contribution rates, which are calculated in accordance with relevant statutes and approved by the Board of Trustees and the Public Retirement Systems' Actuarial Committee. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The long-term expected rate of return on pension plan investments was determined using a triangulation method which integrated the CAPM pricing model, a treasury yield curve approach and an equity building-block model. Risk return and correlations are projected on a forward looking basis in equilibrium, in which best estimates of expected future real rates of return are developed for each major asset class. These rates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return

DESOTO PARISH AMBULANCE SERVICE DISTRICT
d/b/a DeSoto EMS
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

6. Pension Plan (continued)

by the target asset allocation percentage and by adding expected inflation of 2.00% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return is 7.18% for the year ended December 31, 2019.

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Asset Allocation	Long-Term Expected Real Rate of Return
Fixed Income	35%	1.05%
Equity	52%	3.41%
Alternatives	11%	0.61%
Real assets	2%	0.11%
Total	100%	5.18%
Inflation		2.00%
Expected Arithmetic Nominal Return		7.18%

The mortality rate assumption used was set based upon an experience study performed on plan data for the period January 1, 2013 through December 31, 2017. The data was assigned credibility weighting and combined with a standard table to produce current levels of mortality. This mortality was then projected forward to a period equivalent to the estimated duration of the System's liabilities.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the net pension liability/(asset) of the District calculated using the discount rate of 6.50 percent, as well as what the District's net pension liability/asset would be if it were calculated using a discount rate that is one percentage point lower (5.50 percent) or one percentage point higher (7.50 percent) than the current rate:

	Discount rate	District's proportionate share of net pension liability
1% decrease	5.50%	2,141,621
Current discount rate	6.50%	19,815
1% increase	7.50%	(1,758,217)

Plan Fiduciary Net Position. The changes in the net pension liability for the year ended December 31, 2019, were recognized in the current reporting period as pension expense except as follows:

Differences between Expected and Actual Experience

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

DESOTO PARISH AMBULANCE SERVICE DISTRICT
d/b/a DeSoto EMS
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

6. Pension Plan (continued)

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 of Assumptions:

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

Change in Proportion:

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

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

Retirement System Audit Report: Parochial Employees' Retirement System of Louisiana issued a stand-alone audit report on its financial statements for the year ended December 31, 2019. Access to the audit report can be found on the System's website: www.persla.org or on the Office of Louisiana Legislative Auditor's official website: www.la.state.la.us.

Estimates: The process of preparing the schedule of employer allocations and schedule of pension amounts in conformity with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues and expenses. Accordingly actual results may differ from estimated amounts.

7. Cooperative Endeavor Agreements / Leases

In November, 2017, the Ambulance District entered into a Cooperative Endeavor Agreement with DeSoto Fire Protection District No. 8 to execute a lease for \$11,533 per year, until November 1, 2057, for two apparatus bays and two dormitories in Station 5 located in Pelican, Louisiana. The Fire District will reimburse half of all the utilities. The Ambulance District accepts responsibility for all insurance and repairs and maintenance. The Fire District prepaid the entire 40 years (\$461,306.34) lease payments at the inception of the lease in the year ended June 30, 2018. The Ambulance District recognized rental income of \$11,534, deferred revenue of \$438,241, and utility reimbursement of \$1,158 for the year ended June 30, 2019.

DESOTO PARISH AMBULANCE SERVICE DISTRICT
d/b/a DeSoto EMS
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

7. Cooperative Endeavor Agreement / Lease (continued)

On August 21, 2018, the Ambulance District entered into a Cooperative Endeavor Agreement with the Toledo Bend Search and Recovery Dive Team to provide certified divers who are members of the Toledo Bend Search and Recovery Dive team to respond via mutual aid at the Dive Team's request while they are on duty for the Ambulance District.

On August 31, 2018, the Ambulance District entered into a Cooperative Endeavor Agreement with DeSoto Parish Sheriff's Office SWAT Team to provide paramedics, tactical gear for the paramedics, medical supplies, and a medic unit should mutual aid be requested for a SWAT incident.

On January 14, 2019, the Ambulance District entered into a Cooperative Endeavor Agreement with DeSoto Parish Sheriff's Office. The Sheriff's Office will provide the Ambulance District with adequate dispatching services for the sum of an annual \$275,000 to be paid quarterly during the year. The DeSoto Sheriff agreed to hire all the current full-time Ambulance District dispatchers at the time of the agreement and to employ a communications supervisor for those dispatching for the Ambulance District.

Effective December 1, 2019, the Ambulance District entered into a Cooperative Endeavor Agreement with DeSoto Fire Protection District No. 2 governing a Lease Agreement for three apparatus bays and four dormitories in the new Station 6 currently under construction in Keatchie, Louisiana, by the Ambulance District. Rent to be paid to the Ambulance District shall be one-half of all the cost of construction for the new Station 6. One-half of the Rent shall be due upon invoicing by the Ambulance District when construction is at 50% completion. The remaining one-half of the Rent shall be due upon completion of construction and invoicing by the Ambulance District. Fire District 2 will reimburse one-half of all the utilities and one-half of the insurance premiums covering the building and any shared movables thereon. As of June 30, 2020, Station 6 remains construction in progress and Fire District 2 has not been invoiced for any Rent due under the terms of the Lease.

8. Litigation and Claims

At June 30, 2020, the Desoto Parish Ambulance Service District was involved in litigation concerning various matters which, in the estimation of the legal advisor of the Ambulance District, an estimate of ultimate resolution of the suits cannot be made. However, it is the opinion of legal counsel that an unfavorable outcome is unlikely in the pending lawsuits.

9. Compensation Paid Board Members

The Board members were not compensated during the year ended June 30, 2020.

10. Subsequent Events

Management has performed an evaluation of the Ambulance District's activities through December 7, 2020, and has concluded that there are no significant events requiring recognition or disclosure through that date and time these financial statements were available to be issued.

In the spring of 2020, there was a global outbreak of novel coronavirus, COVID-19. The public health crisis has caused volatile economic conditions, impacting financial markets and disrupting business activities across the United States. The timing and extent of the impact of COVID-19 on the Ambulance District's current and future operations is unknown at the date of this report.

REQUIRED SUPPLEMENTAL INFORMATION (PART II)

DESOTO PARISH AMBULANCE SERVICE DISTRICT
d/b/a DeSoto EMS
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
For the Year Ended June 30, 2020

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
Revenues				
Charges for services	\$ 862,000	\$ 862,000	\$ 1,237,481	\$ 375,481
Grants and contributions	-	-	113,821	113,821
Ad valorem taxes	4,875,000	4,875,000	5,000,305	125,305
Interest earnings	70,000	70,000	84,971	14,971
Other revenue	4,500	4,500	4,602	102
Total Revenues	<u>5,811,500</u>	<u>5,811,500</u>	<u>6,441,180</u>	<u>629,680</u>
Expenditures				
Administrative	1,176,850	1,176,850	559,639	617,211
Personal services & related benefits	4,362,800	4,362,800	3,941,009	421,791
Operations	785,000	785,000	726,947	58,053
Occupancy	330,000	330,000	462,099	(132,099)
Capital outlay	200,000	200,000	1,081,732	(881,732)
Total Expenditures	<u>6,854,650</u>	<u>6,854,650</u>	<u>6,771,426</u>	<u>83,224</u>
Excess (deficiency) of revenues over expenditures	(1,043,150)	(1,043,150)	(330,246)	712,904
Other financing sources				
Insurance proceeds	-	-	16,452	(16,452)
Total Other financing sources	<u>-</u>	<u>-</u>	<u>16,452</u>	<u>(16,452)</u>
Excess (deficiency) of revenues over expenditures and other financing sources	(1,043,150)	(1,043,150)	(313,794)	729,356
FUND BALANCE				
Beginning of the year	10,329,663	10,329,663	10,329,663	-
End of the year	<u>\$ 9,286,513</u>	<u>\$ 9,286,513</u>	<u>\$ 10,015,869</u>	<u>\$ 729,356</u>

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

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

Schedule of the DeSoto Ambulance District's Proportionate Share
of the Net Pension Liability

For the Year Ended June 30, 2020

<u>Fiscal Year*</u>	<u>Agency's proportion of the net pension liability (asset)</u>	<u>Agency's proportionate share of the net pension liability (asset)</u>	<u>Agency's covered-employee payroll</u>	<u>Agency's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll</u>	<u>Plan fiduciary net position as a percentage of the total pension liability</u>
Parochial Employees's Retirement System of Louisiana (Plan A)					
2020	0.420925%	\$ 19,815	\$ 2,668,994	1%	99.9%
2019	0.394569%	\$ 1,751,239	\$ 2,536,400	69%	88.9%
2018	0.344185%	\$ (255,470)	\$ 2,406,144	(11.%)	102.0%
2017	0.314539%	\$ 647,797	\$ 1,939,971	33%	94.1%
2016	0.281127%	\$ 740,007	\$ 1,539,545	48%	92.2%
2015	0.254606%	\$ 69,611	\$ 1,422,563	5%	99.1%

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

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

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

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

Schedule of the DeSoto Ambulance District's Pension Contributions

For the Year Ended June 30, 2020

Fiscal Year*	(a) Statutorily Required Contribution	(b) Contributions in relation to the statutorily required contribution	(a-b) Contribution Deficiency (Excess)	Agency's covered-employee payroll	Contributions as a percentage of covered-employee payroll
Louisiana State Employees' Retirement System					
2020	\$ 318,556	\$ 318,556	\$ -	\$ 2,683,049	15.2%
2019	\$ 297,240	\$ 297,240	\$ -	\$ 2,584,696	11.5%
2018	\$ 288,052	\$ 288,052	\$ -	\$ 2,406,144	12.0%
2017	\$ 247,298	\$ 247,298	\$ -	\$ 1,939,971	12.7%
2016	\$ 232,290	\$ 232,290	\$ -	\$ 1,539,545	15.1%
2015	\$ 227,518	\$ 227,518	\$ -	\$ 1,422,563	16.0%

*Amounts presented were determined as of the end of the fiscal year (June 30).

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

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

DESOTO PARISH AMBULANCE SERVICE DISTRICT

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

As of and for the Year Ended June 30, 2020

Budgetary Information

The Ambulance District's budget is prepared in accordance with accounting principles generally accepted in the United States of America.

The Louisiana Local Government Budget Act provides that "the total proposed expenditures shall not exceed the total of estimated funds available for the ensuing year." The "total estimated funds available" is the sum of the respective estimated fund balances at the beginning of the year and the anticipated revenues for the current year.

Expenditures may not legally exceed appropriations at the fund level. Appropriations that are not expended lapse at year-end. The budget was not amended during the year. The budget comparison schedule presents the original adopted budget.

Budgeted revenues do not exceed actual revenues. Actual expenditures do not exceed budgeted expenditures. The Ambulance District is in compliance with the Louisiana Local Government Budget Act.

The District uses the following budget practices:

A budget for the ensuing year is prepared prior to June 30 of each year and is made available for public inspection at least fifteen days prior to the beginning of each fiscal year. The proposed budget is prepared on the modified accrual basis of accounting. The budget is established and controlled by the board of commissioners at the object level of expenditure. Appropriations lapse at year-end and must be reappropriated for the following year to be expended. All changes in the budget must be approved by the board of commissioners.

Pension Information

The schedule of the DeSoto Ambulance District's proportionate share of the net pension liability and the schedule of the DeSoto Ambulance District's pension contributions are intended to show information for 10 years. Additional years will be displayed as they become available.

Changes of Benefit Terms: There were no changes of benefit terms for the year ended June 30, 2020.

Changes of Assumptions: There were no changes of benefit assumptions for the year ended June 30, 2020.

OTHER SUPPLEMENTAL INFORMATION

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

**Schedule of Compensation, Benefits and Other Payments
to Agency Head or Chief Executive Officer**

For the Year Ended June 30, 2020

Joe Magee, Administrator

Purpose:		
Salary	\$	107,460
Benefits- insurance		13,893
Benefits- retirement		12,255
Benefits- other		437
Car Allowance		-
Vehicle provided by government		-
Per diem		-
Reimbursements		-
Travel		-
Registration fees		-
Conference travel		-
Continuing professional education fees		-
Housing		-
Cell phone		543
Uniforms		318
Total	\$	<u><u>134,906</u></u>

See independent auditor's report.

OTHER REPORTS REQUIRED BY *GOVERNMENT AUDITING*
STANDARDS



Dees Gardner, Certified Public Accountants, LLC

Deborah D. Dees, CPA/CFF

122 Jefferson Street

Maura Dees Gardner, CPA, CFE

Mansfield, Louisiana

Phone No. 318-872-3007

Fax No. 318-872-1357

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

The Board of Commissioners
DeSoto Parish Ambulance Service District
Mansfield, Louisiana

We have audited in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and general fund of the DeSoto Parish Ambulance Service District, a component unit of the DeSoto Parish Police Jury, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the DeSoto Parish Ambulance Service District's basic financial statements and have issued our report thereon dated December 7, 2020.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Ambulance Service District's internal control or on compliance. This report is an integral part of any audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

This report is intended solely for the information and use of the DeSoto Parish Ambulance Service District, management, and the Louisiana Legislative Auditor, and is not intended to be and should not be used by anyone other than these specified parties. However, this restriction is not intended to limit the distribution of this report which is a matter of public record and is distributed by the Louisiana Legislative Auditor as a public document in accordance with Louisiana Revised Statute 24:513.

Dees Gardner, Certified Public Accountants, LLC

Mansfield, Louisiana
December 7, 2020

AUDIT FINDINGS

DESOTO PARISH AMBULANCE SERVICE DISTRICT

Schedule of Findings and Responses

For the Year ended June 30, 2020

SUMMARY OF AUDITOR'S REPORTS

INDEPENDENT AUDITOR'S REPORT:

We have audited the basic financial statements of DeSoto Parish Ambulance Service District as of and for the year ended June 30, 2020, and have issued our report thereon dated December 7, 2020, we conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our audit of the basic financial statements as of June 30, 2020, resulted in an unmodified opinion.

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

Internal Control

Significant Deficiency
Material Weakness

Yes
 Yes

No
 No

Compliance

Compliance Material to Financial Statements
Other Matters

Yes
 Yes

No
 No

FEDERAL AWARDS

Not applicable

MANAGEMENT LETTER

None.

MANAGEMENT'S CORRECTIVE ACTION PLAN

None.

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

FINDINGS RELATED TO INTERNAL CONTROL

None.

FINDINGS RELATED TO COMPLIANCE

None.

DESOTO PARISH AMBULANCE SERVICE DISTRICT
Summary Schedule of Prior Year Findings
For the year ended June 30, 2020

None.