

LOWER CAMERON AMBULANCE SERVICE DISTRICT

**FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT**

**FOR THE YEARS ENDED
DECEMBER 31, 2017 AND 2016**

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INDEPENDENT AUDITORS' REPORT

To the Board of Commissioners
Lower Cameron Ambulance Service District
Creole, Louisiana

We have audited the accompanying statements of net position of Lower Cameron Ambulance Service District, a component unit of the Cameron Parish Police Jury, as of December 31, 2017 and 2016, and the related statements of revenues, expenses, and changes in net position and cash flows for the years then ended, and the related notes to the financial statements, which collectively comprise Lower Cameron 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 basic 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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. Those standards require that 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 auditors' judgment, including the assessment of the risk 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 opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Lower Cameron Ambulance Service District as of December 31, 2017 and 2016 and the changes in financial position and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1, the financial statements present only the financial information of Lower Cameron Ambulance Service District and do not purport to, and do not, present fairly the financial position of the Cameron Parish Police Jury as of December 31, 2017 and 2016, the changes in its financial position, or its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

The Lower Cameron Ambulance Service District has not presented management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the Lower Cameron Ambulance Service District's basic financial statements. The accompanying schedules of net patient service revenues, schedules of board fees and schedule of compensation, benefits, and other payments to agency head or chief executive officer are presented for the purposes of additional analysis and are not a required part of the basic financial statements.

The schedules of net patient service revenues, schedules of board fees and schedule of compensation, benefits, and other payments to agency head or chief executive officer are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedules of net

Board of Commissioners
Lower Cameron Ambulance Service District
Creole, Louisiana
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patient service revenues, schedules of board fees and schedule of compensation, benefits, and other payments to agency head or chief executive officer are 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 22, 2018, on our consideration of the Lower Cameron Ambulance Service District's internal control over financial reporting and 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 in considering the Lower Cameron Ambulance Service District's internal control over financial reporting and compliance.



Certified Public Accountants
Lafayette, Louisiana

June 22, 2018

LOWER CAMERON AMBULANCE SERVICE DISTRICT
STATEMENTS OF NET POSITION
DECEMBER 31,

ASSETS	<u>2017</u>	<u>2016</u>
CURRENT ASSETS		
Cash and cash equivalents (Note 3)	\$ 1,046,699	\$ 697,668
Certificates of deposits	3,357,932	4,157,070
Patient accounts receivable, net of allowance for estimated uncollectibles of \$14,000 in 2017 and \$8,771 in 2016 (Note 4)	26,217	7,956
Ad valorem tax receivable, net of estimated uncollectibles of \$371,835 in 2017 and \$161,135 in 2016 (Note 6)	389,528	182,695
Due from other governmental agencies	679,324	897,614
Other receivables	99,392	99,392
Prepaid expenses	75,664	68,883
Inventories	<u>14,200</u>	<u>16,400</u>
Total current assets	5,688,956	6,127,678
CAPITAL ASSETS		
Property, plant and equipment, at cost, less accumulated depreciation of \$1,144,212 in 2017 and \$1,093,437 in 2016 (Note 7)	<u>1,424,673</u>	<u>1,341,048</u>
TOTAL ASSETS	\$ <u>7,113,629</u>	\$ <u>7,468,726</u>
LIABILITIES AND NET POSITION		
CURRENT LIABILITIES		
Accounts payable	\$ 116,767	\$ 117,849
Accrued liabilities	<u>58,221</u>	<u>49,596</u>
Total current liabilities	<u>174,988</u>	<u>167,445</u>
NET POSITION		
Net investment in capital assets	1,424,673	1,341,048
Unrestricted	<u>5,513,968</u>	<u>5,960,233</u>
Total net position	<u>6,938,641</u>	<u>7,301,281</u>
TOTAL LIABILITIES AND NET POSITION	\$ <u>7,113,629</u>	\$ <u>7,468,726</u>

See accompanying notes to financial statements.

LOWER CAMERON AMBULANCE SERVICE DISTRICT
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
YEARS ENDED DECEMBER 31,

	<u>2017</u>	<u>2016</u>
OPERATING REVENUES:		
Net patient service revenues, net of provision for bad debts of \$15,363 in 2017 and \$16,141 in 2016	\$ 110,273	\$ 83,076
Total operating revenues	<u>110,273</u>	<u>83,076</u>
OPERATING EXPENSES:		
Salaries and payroll taxes	911,853	920,589
Depreciation expense	78,518	80,248
Dispatch services	4	20,004
Education and travel	1,367	1,387
Employee benefits	378,502	318,516
Fuel expense	7,114	6,683
Insurance expense	61,075	50,467
Professional fees	18,943	16,500
Contract labor	9,950	1,435
Rent	600	600
Repairs and maintenance	12,381	24,513
Retirement expense	25,252	25,364
Supplies	43,987	42,176
Telephone	16,780	16,841
Utilities	23,642	23,561
Other expenses	21,746	17,282
Total operating expenses	<u>1,611,714</u>	<u>1,566,166</u>
Operating loss	<u>(1,501,441)</u>	<u>(1,483,090)</u>
NON-OPERATING REVENUES:		
Ad valorem taxes	1,092,510	1,084,186
Investment income	46,291	54,638
Total non-operating revenues	<u>1,138,801</u>	<u>1,138,824</u>
INCREASE (DECREASE) IN NET POSITION	(362,640)	(344,266)
NET POSITION BEGINNING OF YEAR	<u>7,301,281</u>	<u>7,645,547</u>
NET POSITION END OF YEAR	\$ <u>6,938,641</u>	\$ <u>7,301,281</u>

See accompanying notes to financial statements.

LOWER CAMERON AMBULANCE SERVICE DISTRICT
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31,

	<u>2017</u>	<u>2016</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from and on behalf of patients	\$ 92,012	\$ 90,181
Payments to employees	(903,228)	(913,719)
Payments to suppliers and contractors	<u>(627,006)</u>	<u>(603,824)</u>
Net cash used in operating activities	<u>(1,438,222)</u>	<u>(1,427,362)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Ad valorem taxes	<u>1,103,967</u>	<u>1,590,460</u>
Net cash provided by non-capital financing activities	<u>1,103,967</u>	<u>1,590,460</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchase of capital assets	<u>(162,143)</u>	<u>(8,940)</u>
Net cash used in capital and related financing activities	<u>(162,143)</u>	<u>(8,940)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest income	46,291	53,676
Purchase of certificates of deposit, net of renewals	<u>799,138</u>	<u>(25,648)</u>
Net cash provided by investing activities	<u>845,429</u>	<u>28,028</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	349,031	182,186
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>697,668</u>	<u>515,482</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ <u><u>1,046,699</u></u>	\$ <u><u>697,668</u></u>

See accompanying notes to financial statements.

LOWER CAMERON AMBULANCE SERVICE DISTRICT
 STATEMENTS OF CASH FLOWS (CONTINUED)
 YEARS ENDED DECEMBER 31,

	<u>2017</u>	<u>2016</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES		
Operating loss	\$ (1,501,441)	\$ (1,483,090)
Adjustment to reconcile operating loss to net cash flows used in operating activities:		
Depreciation	78,518	80,248
Provision for bad debts	15,363	16,141
(Increase) decrease in assets -		
Patient accounts receivable	(33,624)	(9,036)
Prepaid expense	(6,781)	(9,776)
Inventories	2,200	(2,066)
Increase (decrease) in liabilities -		
Accounts payable	(1,082)	(26,653)
Accrued expenses	<u>8,625</u>	<u>6,870</u>
NET CASH USED IN OPERATING ACTIVITIES	\$ <u>(1,438,222)</u>	\$ <u>(1,427,362)</u>

See accompanying notes to financial statements.

LOWER CAMERON AMBULANCE SERVICE DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016

NOTE 1. DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Lower Cameron Ambulance Service District (the "Ambulance District") was established by the Cameron Parish Policy Jury, by virtue of the authority of R.S. 33:9053, et seq. The purpose of the Ambulance District is to provide ambulance services to Lower Cameron Parish. The board is appointed by the Cameron Parish Police Jury. The Ambulance District is a component unit of the Cameron Parish Police Jury. The accompanying financial statements present only the Ambulance District.

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

Method of accounting:

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

Enterprise Fund:

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

Use of estimates:

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

LOWER CAMERON AMBULANCE SERVICE DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016

NOTE 1. DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and cash equivalents:

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

Trade receivables and allowance for uncollectible accounts:

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

Inventories:

Inventories are valued at the latest invoice price, which approximates the lower of cost (first-in, first-out method) or market.

Capital assets:

Capital assets are stated at cost. Depreciation is computed using the straight-line method over the estimated useful lives of each class of depreciable assets.

Ambulances	5 years
Building improvements	5 – 10 years
Equipment	5 – 10 years
Land improvements	15 years
Building	25 years

Net patient service revenues:

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

LOWER CAMERON AMBULANCE SERVICE DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016

NOTE 1. DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Grants and donations:

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

Operating revenues and expenses:

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

Income taxes:

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

Restricted resources:

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

Deferred outflows/inflows of resources:

In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expenditure) until then. The Ambulance District does not currently have any items that qualify for reporting in this category.

In addition to liabilities, the statements of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Ambulance District does not currently have any items that qualify for reporting in this category.

LOWER CAMERON AMBULANCE SERVICE DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016

NOTE 1. DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Risk management:

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

Environmental matters:

The Ambulance District is subject to laws and regulations relating to the protection of the environment. The Ambulance District's policy is to accrue environmental and cleanup related costs of a non-capital nature when it is both probable that a liability has been incurred and when the amount can be reasonably estimated. Although it is not possible to quantify with any degree of certainty, the potential financial impact of the Ambulance District's continuing compliance efforts, management believes any future remediation or other compliance related costs will not have a material adverse effect on the financial condition or reported results of operations of the Ambulance District. At December 31, 2017, management is not aware of any liability resulting from environmental matters.

Adoption of New Financial Accounting Standards:

In March 2016, the GASB issued Statement No. 82, *Pension Issues – An Amendment of GASB Statements No. 67, No. 68, and No. 73*. This statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. The implementation of Statement No. 82 does not have a material impact on the financial statements.

LOWER CAMERON AMBULANCE SERVICE DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016

NOTE 2. NET PATIENT SERVICE REVENUES

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

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

During the years ended December 31, 2017 and 2016, approximately 67% and 39%, respectively, of the Ambulance District's gross patient services were furnished to Medicare and Medicaid beneficiaries.

The Ambulance District also has entered into payment arrangements with certain commercial insurance carriers, health maintenance organizations, and preferred provider organizations. The basis for payment to the Ambulance District under these agreements includes prospectively determined rates per ambulance trip and discounts on charges.

The Ambulance District also gives a parish resident discount to any resident of the parish who uses ambulance services. The Ambulance District bills private insurance companies, Medicare or Medicaid, or any other coverage of the patient and accepts this as payment in full from the resident.

NOTE 3. BANK DEPOSITS AND INVESTMENTS

The Ambulance District's investing is performed in accordance with investment policies complying with state statutes. Funds may be invested in time deposits, money market investment accounts, or certificates of deposit with financial institutions insured by FDIC; direct obligations of the United States Government and its agencies; commercial paper issued by United States Corporations with a rating of A-1 (Moody's) and P-1 (Standard and Poor's) or higher; and government backed mutual trust funds. At December 31, 2017 and 2016, the Ambulance District's funds consisted solely of demand deposits and certificates of deposits. These deposits are stated at cost, which approximates market.

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a bank failure, the Ambulance District's deposits may not be returned to it. State law requires collateralization of all deposits with federal depository insurance and other acceptable collateral in specific amounts. The Ambulance District's policy requires that all bank balances be insured or collateralized by the financial institution to pledge their own securities to cover any amount in excess of Federal Depository Insurance Coverage (FDIC). These securities must be pledged in the Ambulance District's name. As of December 31, 2017 and 2016, the Ambulance District had deposits of \$2,477,000 and \$3,290,000, respectively, that were secured from risk by FDIC coverage. The Ambulance District had deposits of \$2,712,602 and \$2,655,696 at December 31, 2017 and 2016, respectively, that were collateralized by securities pledged by the financial institutions. Accordingly, the Ambulance District had no custodial credit risk related to its deposits at December 31, 2017 and 2016.

LOWER CAMERON AMBULANCE SERVICE DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016

NOTE 4. ACCOUNTS RECEIVABLES

Patient accounts receivable reported as current assets by the Ambulance District at December 31, 2017 and 2016 consisted of these amounts:

<u>Patient Accounts Receivable</u>	<u>2017</u>	<u>2016</u>
Receivable from patients and their insurance carriers	\$ 31,238	\$ 11,127
Receivable from Medicare	3,915	809
Receivable from Medicaid	<u>5,064</u>	<u>4,791</u>
Total patient accounts receivable	40,217	16,727
Less allowance for uncollectible amounts	<u>(14,000)</u>	<u>(8,771)</u>
Patient accounts receivable, net	<u>\$ 26,217</u>	<u>\$ 7,956</u>

NOTE 5. CONCENTRATION OF CREDIT RISK

The Ambulance District grants credit without collateral to its patients, most of whom are local residents and are insured under third-party payor agreements. The mix of receivables from patients and third-party payors at December 31, 2017 and 2016 was as follows:

	<u>2017</u>	<u>2016</u>
Medicaid	77 %	11 %
Medicare	13 %	8 %
Other third-party payors/patients	<u>10 %</u>	<u>81 %</u>
	<u>100 %</u>	<u>100 %</u>

NOTE 6. AD VALOREM TAXES

The Ambulance District levied 21.62 mills and 18.75 mills on properties with assessed values of \$67,919,849 and \$75,985,074, net of homestead values, for the years ended December 31, 2017 and 2016, respectively.

The Ambulance District received approximately 88.5% and 88.7% in 2017 and 2016, respectively, of its financial support from ad valorem taxes. These funds were used to support operations.

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

LOWER CAMERON AMBULANCE SERVICE DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016

NOTE 7. CAPITAL ASSETS

Capital assets additions, retirements, and balances for the years ended December 31, 2017 and 2016 were as follows:

	December 31, 2016	Additions	Retirements	December 31, 2017
Land	\$ 78,870	\$ -0-	\$ -0-	\$ 78,870
Land improvements	22,765	-0-	-0-	22,765
Equipment	235,217	14,826	(15,120)	234,923
Office equipment	46,538	-0-	(5,078)	41,460
Buildings and improvements	1,481,122	-0-	(7,545)	1,473,577
Construction in progress	7,322	-0-	-0-	7,322
Ambulances	<u>562,651</u>	<u>147,317</u>	<u>-0-</u>	<u>709,968</u>
Total historical cost	<u>2,434,485</u>	<u>162,143</u>	<u>(27,743)</u>	<u>2,568,885</u>
Less accumulated depreciation for:				
Land improvements	(5,948)	(1,911)	-0-	(7,859)
Equipment	(222,435)	(8,605)	15,120	(215,920)
Office equipment	(43,355)	(1,307)	5,078	(39,584)
Buildings and improvements	(259,044)	(44,597)	7,545	(296,096)
Ambulances	<u>(562,655)</u>	<u>(22,098)</u>	<u>-0-</u>	<u>(584,753)</u>
Total accumulated depreciation	<u>(1,093,437)</u>	<u>(78,518)</u>	<u>27,743</u>	<u>(1,144,212)</u>
Capital assets, net	<u>\$ 1,341,048</u>	<u>\$ 83,625</u>	<u>\$ -0-</u>	<u>\$ 1,424,673</u>
	December 31, 2015	Additions	Retirements	December 31, 2016
Land	\$ 78,870	\$ -0-	\$ -0-	\$ 78,870
Land improvements	22,765	-0-	-0-	22,765
Equipment	235,217	-0-	-0-	235,217
Office equipment	44,920	1,618	-0-	46,538
Buildings and improvements	1,481,122	-0-	-0-	1,481,122
Construction in progress	-0-	7,322	-0-	7,322
Ambulances	<u>562,651</u>	<u>-0-</u>	<u>-0-</u>	<u>562,651</u>
Total historical cost	<u>2,425,545</u>	<u>8,940</u>	<u>-0-</u>	<u>2,434,485</u>
Less accumulated depreciation for:				
Land improvements	(4,037)	(1,911)	-0-	(5,948)
Equipment	(208,580)	(13,855)	-0-	(222,435)
Office equipment	(41,305)	(2,050)	-0-	(43,355)
Buildings and improvements	(212,796)	(46,248)	-0-	(259,044)
Ambulances	<u>(546,471)</u>	<u>(16,184)</u>	<u>-0-</u>	<u>(562,655)</u>
Total accumulated depreciation	<u>(1,013,189)</u>	<u>(80,248)</u>	<u>-0-</u>	<u>(1,093,437)</u>
Capital assets, net	<u>\$ 1,412,356</u>	<u>\$ (71,308)</u>	<u>\$ -0-</u>	<u>\$ 1,341,048</u>

LOWER CAMERON AMBULANCE SERVICE DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016

NOTE 7. CAPITAL ASSETS (CONTINUED)

Depreciation expense for the years ended December 31, 2017 and 2016 amounted to \$78,518 and \$80,248, respectively.

NOTE 8. COMPENSATED ABSENCES

Employees' vacation benefits are recognized in the period earned. Accrued compensated absences at December 31, 2017 and 2016 totaled \$39,038 and \$32,624, respectively, which is included in accrued liabilities on the statements of net position.

NOTE 9. SIMPLE IRA PLAN

The Ambulance District has a Simple IRA Plan covering all eligible employees as of June 2002. Employees can contribute a maximum of \$12,500 for the 2017 and 2016 tax years, respectively. The Ambulance District contributed 2% of compensation to each eligible employee's Simple IRA through May of 2014 and then 3% thereafter. All contributions under the plan, as well as the earnings, are fully vested and nonforfeitable. Total Simple IRA plan expenses for the years ended 2017 and 2016 were \$25,252 and \$25,364, respectively.

NOTE 10. SUBSEQUENT EVENTS

The Ambulance District evaluated subsequent events through June 22, 2018, the date which the financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

LOWER CAMERON AMBULANCE SERVICE DISTRICT
SCHEDULES OF NET PATIENT SERVICE REVENUES
YEARS ENDED DECEMBER 31,

	<u>2017</u>	<u>2016</u>
Gross patient service revenues	\$ 217,629	\$ 216,602
Less:		
Medicare and Medicaid contractual adjustments	(11,619)	(17,047)
Provision for uncollectible accounts	(15,363)	(16,141)
Parish resident discounts	(83,434)	(90,829)
Insurance and other discounts	<u>3,060</u>	<u>(9,509)</u>
Net patient service revenue	\$ <u>110,273</u>	\$ <u>83,076</u>

LOWER CAMERON AMBULANCE SERVICE DISTRICT
SCHEDULES OF BOARD FEES
YEARS ENDED DECEMBER 31, 2017 AND 2016

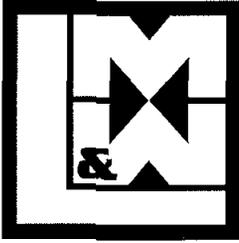
BOARD MEMBERS

The Ambulance District's board members did not receive any compensation during the years ended December 31, 2017 and 2016.

LOWER CAMERON AMBULANCE SERVICE DISTRICT
 SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS TO
 AGENCY HEAD OR CHIEF EXECUTIVE OFFICER
 YEAR ENDED DECEMBER 31, 2017

Agency Head Name: Byron Broussard
 Position: Executive Director
 Time Period: January 1, 2017 to December 31, 2017

Purpose	Amount
Salary	\$ 90,913
Benefits - insurance	24,503
Benefits - retirement	2,727
Benefits - other	-0-
Car allowance	-0-
Vehicle provided by government	-0-
Per diem	4,041
Reimbursements	-0-
Travel	-0-
Registration fees	-0-
Conference travel	-0-
Continuing professional education fees	-0-
Housing	-0-
Unvouchered expenses	-0-
Special meals	-0-
	\$ 122,184



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

To the Board of Commissioners
Lower Cameron Ambulance Service District
Creole, 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 basic financial statements of the Lower Cameron Ambulance Service District as of and for the years ended December 31, 2017 and 2016, and the related notes to the financial statements, which collectively comprise the Lower Cameron Ambulance District's basic financial statements and have issued our report thereon dated June 22, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Lower Cameron 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 basic financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Lower Cameron Ambulance Service District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Lower Cameron 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 Ambulance District's basic financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and responses, we identified a deficiency in internal control that we consider to be a material weakness. We consider the deficiency described in the accompanying schedule of findings and responses at 2017-1 to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Lower Cameron 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 an instance of noncompliance or other matters that is required to be reported under Government Auditing Standards and which is described in the accompanying schedule of findings and responses as item 2017-2.

Lower Cameron Ambulance Service District Responses to Findings

Lower Cameron Ambulance Service District's response to the finding identified in our audit is described in the accompanying schedule of findings and responses. Lower Cameron Ambulance Service District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

This report is intended solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the District's internal control and compliance. This report is intended for the information and use of management, the Board of Commissioners, others within the entity and federal awarding agencies and pass-through entities and the Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties. 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.



Certified Public Accountants
Lafayette, Louisiana

June 22, 2018

LOWER CAMERON AMBULANCE SERVICE DISTRICT
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED DECEMBER 31, 2017

Section I. Summary of Auditors' Results

Report on Internal Control and Compliance Material to the Financial Statements

Type of auditors opinion: unmodified

Internal control over financial reporting:

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

Section II. Financial Statement Findings

2017-1 - Segregation of Duties

Condition: The Ambulance District does not have adequate segregation of duties. A system of internal control procedures contemplates a segregation of duties so that no one individual handles a transaction from its inception to its completion. While we recognize the Ambulance District may not be large enough to permit such procedures, it is important that you be aware of this condition. This condition was also included in the 2016 audit as item 2016-1.

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

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

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

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

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

LOWER CAMERON AMBULANCE SERVICE DISTRICT
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED DECEMBER 31, 2017

Section II. Financial Statement Findings (Continued)

2017-2 – Deposits made with Investment Firm/Broker

Condition: The Ambulance District has investments in Certificates of Deposit that were indirectly purchased through an investment firm/broker. This condition was also included in the 2016 audit as item 2016-2.

Criteria: As per Louisiana Attorney General Opinion No. 13-0199 and 15-0102, it is the opinion of the Attorney General that La. R.S. 33:2955(A)(1)(d)(i) contemplated the direct purchase, by a political subdivision, of a certificate of deposit from a financial institution and concluded that nothing in La. R.S. 33:2955 authorized a political subdivision to purchase a certificate of deposit indirectly through a broker or brokerage firm.

Cause: The Ambulance District was unaware of the fact that La. R.S. 33:2955 does not allow Political Subdivisions to indirectly purchase certificates of deposit through a broker or brokerage firm.

Effect: The Ambulance District is not in compliance with R.S. 33:2955 due to the investments in certificates of deposit directly purchased through a broker or brokerage firm.

Recommendation: The Ambulance District should adopt an investment policy that complies with La. R.S. 33:2955, regarding the direct purchase of certificates of deposit from a financial institution and cease the indirect purchase of certificates of deposit of financial institutions through a broker or brokerage firm.

Response: The Ambulance District has adopted an investment policy that complies with La. R.S. 33:2955, regarding the direct purchase of certificates of deposit from a financial institution in the State of Louisiana. The Ambulance District has also removed all certificates of deposit from the firm as of 2018

Section III. Federal Award Findings and Questioned Costs

Not Applicable

Section IV. Management Letter

Not Applicable

LOWER CAMERON AMBULANCE SERVICE DISTRICT
SCHEDULE OF PRIOR YEAR FINDINGS
YEAR ENDED DECEMBER 31, 2017

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

2016-1 - Segregation of Duties

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

Current Status: This finding is repeated at 2017-1.

2016-2 – Investments made with Investment Firm/Broker

Recommendation: The Ambulance District should adopt an investment policy that complies with La. R.S. 33:2955, regarding the direct purchase of certificates of deposit from a financial institution and cease the indirect purchase of certificates of deposit of financial institutions through a broker or brokerage firm.

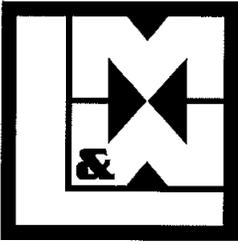
Current Status: This finding is repeated at 2017-2.

Section II. Federal Award Findings and Questioned Costs

Not Applicable

Section III. Management Letter

Not Applicable



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Independent Accountant's Report on Applying Agreed-Upon Procedures

To the Board of Commissioners
Lower Cameron Ambulance Service District
and the Legislative Auditor

We have performed the procedures enumerated below, which were agreed to by Lower Cameron Ambulance Service District (the "District") and the Louisiana Legislative Auditor (LLA), on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2017 through December 31, 2017. The District's management is responsible for those C/C areas identified in the SAUPs.

The agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose of which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

Written Policies and Procedures

1. Obtain the entity's written policies and procedures and report whether those written policies and procedures address each of the following financial/business functions (or report that the entity does not have any written policies and procedures), as applicable:

a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget

Findings: *Written policies and procedures were obtained and did not address the functions noted above.*

Management's response: *The District is considered to operate under an enterprise fund, a budget under Local Government Budget Act found under Louisiana Revised Statute (R.S) 39:1301-1315 the District is not required to adopt a budget. The District is aware that good practice entails adopting a budget. Management will work towards implementing a policy of adopting a budget and subsequently adopt a budget.*

Board of Commissioners
of Lower Cameron Ambulance Service District
and the Louisiana Legislative Auditor

- b) **Purchasing**, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.

Findings: Written policies and procedures were obtained and address the functions noted above.

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

Findings: Written policies and procedures were obtained and address the functions noted above.

- d) **Receipts**, including receiving, recording, and preparing deposits.

Findings: Written policies and procedures were obtained and did not address the functions noted above.

Management's response: Management is aware of the deficiency and has adopted a receipts policy subsequent to the fiscal period.

- e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.

Findings: Written policies and procedures were obtained and address the functions noted above.

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

Findings: Written policies and procedures were obtained and address the functions noted above.

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

Findings: Written policies and procedures were obtained and address the functions noted above.

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

Findings: Written policies and procedures were obtained and address the functions noted above.

- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy. Note: Ethics requirements are not applicable to nonprofits.

Findings: Written policies and procedures were obtained and did not address the functions noted above.

Management's response: *Management is aware of the deficiency and has adopted an ethics policy subsequent to the fiscal period.*

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

Findings: *Written policies and procedures were obtained and did not address the functions noted above.*

Management's response: *The District has never incurred debt and therefore has never adopted a policy. Management has adopted a debt service policy subsequent to the fiscal period.*

Board (or Finance Committee, if applicable)

2. Obtain and review the board/committee minutes for the fiscal period, and:

- a) Report whether the managing board met (with a quorum) at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, or other equivalent document.

Findings: *There were no exceptions notes as a result of applying this procedure.*

- b) Report whether the minutes referenced or included monthly budget-to-actual comparisons on the General Fund and any additional funds identified as major funds in the entity's prior audit (GAAP-basis).

➤ If the budget-to-actual comparisons show that management was deficit spending during the fiscal period, report whether there is a formal/written plan to eliminate the deficit spending for those entities with a fund balance deficit. If there is a formal/written plan, report whether the meeting minutes for at least one board meeting during the fiscal period reflect that the board is monitoring the plan.

Findings: *The minutes did not reference monthly budget-to-actual comparisons.*

Management's response: *Management is aware of the issue and is working to correct the deficiency.*

- c) Report whether the minutes referenced or included non-budgetary financial information (e.g. approval of contracts and disbursements) for at least one meeting during the fiscal period.

Findings: *The minutes did reference non-budgetary financial information for at least one meeting during the fiscal period.*

Bank Reconciliations

3. Obtain a listing of client bank accounts from management and management's representation that the listing is complete.

Findings: *We obtained a list of bank accounts, and management provided representation that the list was complete.*

4. Using the listing provided by management, select all of the entity's bank accounts (if five accounts or less) or one-third of the bank accounts on a three-year rotating basis (if more than 5 accounts). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. *Note: School student activity fund accounts may be excluded from selection if they are otherwise addressed in a separate audit or AUP engagement.* For each of the bank accounts selected, obtain bank statements and reconciliations for all months in the fiscal period and report whether:

- a) Bank reconciliations have been prepared;

Findings: *Bank statements and reconciliations for all months in the fiscal period were obtained for selected accounts noting that reconciliations have been prepared for all months.*

- b) Bank reconciliations include evidence that a member of management or a board member (with no involvement in the transactions associated with the bank account) has reviewed each bank reconciliation; and

Findings: *Bank statements and reconciliations for all months in the fiscal period were obtained for selected accounts noting that management's review was documented on the reconciliations.*

- c) If applicable, management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 6 months as of the end of the fiscal period.

Findings: *Bank statements and reconciliations for all months in the fiscal period were obtained for selected accounts noting that there was no review of items outstanding greater than 6 months.*

Management's response: *Management is aware of the issue and is working to correct the deficiency.*

Collections

5. Obtain a listing of cash/check/money order (cash) collection locations and management's representation that the listing is complete.

Findings: *We obtained a list of the cash locations, and management provided representation that the list was complete.*

6. Using the listing provided by management, select all of the entity's cash collection locations (if five locations or less) or one-third of the collection locations on a three-year rotating basis (if more than 5 locations). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. *Note: School student activity funds may be excluded from selection if they are otherwise addressed in a separate audit or AUP engagement.* **For each cash collection location selected:**

Board of Commissioners
of Lower Cameron Ambulance Service District
and the Louisiana Legislative Auditor

- a) Obtain existing written documentation (e.g. insurance policy, policy manual, job description) and report whether each person responsible for collecting cash is (1) bonded, (2) not responsible for depositing the cash in the bank, recording the related transaction, or reconciling the related bank account (report if there are compensating controls performed by an outside party), and (3) not required to share the same cash register or drawer with another employee.

Findings: *Per written documentation, employees are bonded. The person responsible for collecting cash is also responsible for depositing the cash in the bank, recording the related transaction, and reconciling the related bank account. Someone other than this person (assistant administrator) reviews the bank statements and reconciliations every month.*

Management's response: *Management is aware of the segregation of duties deficiency and has compensating controls in place.*

- b) Obtain existing written documentation (e.g. sequentially numbered receipts, system report, reconciliation worksheets, policy manual) and report whether the entity has a formal process to reconcile cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, by a person who is not responsible for cash collections in the cash collection location selected.

Findings: *The person performing the reconciliation is responsible for cash collections.*

Management's response: *Management is aware of the segregation of duties deficiency and has compensating controls in place.*

- c) Select the highest (dollar) week of cash collections from the general ledger or other accounting records during the fiscal period and:
 - Using entity collection documentation, deposit slips, and bank statements, trace daily collections to the deposit date on the corresponding bank statement and report whether the deposits were made within one day of collection. If deposits were not made within one day of collection, report the number of days from receipt to deposit for each day at each collection location.

Findings: The general ledger detail was used to pull all cash collections. The highest dollar week of collections was selected for testing. All collections selected were deposited within one day of collection.

- Using sequentially numbered receipts, system reports, or other related collection documentation, verify that daily cash collections are completely supported by documentation and report any exceptions.

Findings: All collections were completely supported by documentation.

- 7. Obtain existing written documentation (e.g. policy manual, written procedure) and report whether the entity has a process specifically defined (identified as such by the entity) to determine completeness of all collections, including electronic transfers, for each revenue source and 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) by a person who is not responsible for collections.

Findings: *There is not a written process defined to determine the completeness of collections by a person who is not responsible for collections.*

Management's response: *Management is aware of the segregation of duties deficiency and has compensating controls in place.*

Disbursements – General (excluding credit card/debit card/fuel card/P-Card purchases or payments)

8. Obtain a listing of entity disbursements from management or, alternately, obtain the general ledger and sort/filter for entity disbursements. Obtain management's representation that the listing or general ledger population is complete.

Findings: *General ledger details representing all entity disbursements were obtained. Management provided representation that the listing was complete.*

9. Using the disbursement population from #8 above, randomly select 25 disbursements (or randomly select disbursements constituting at least one-third of the dollar disbursement population if the entity had less than 25 transactions during the fiscal period), excluding credit card/debit card/fuel card/P-card purchases or payments. Obtain supporting documentation (e.g. purchase requisitions, system screens/logs) for each transaction and report whether the supporting documentation for each transaction demonstrated that:

- a) Purchases were initiated using a requisition/purchase order system or an equivalent electronic system that separates initiation from approval functions in the same manner as a requisition/purchase order system.

Findings: *Examined supporting documentation for each 25 disbursements selected and found that a formal requisition/purchase order system is not used.*

Management's response: *Management has implemented a formal requisition/purchase order system subsequent to the fiscal year under review.*

- b) Purchase orders, or an electronic equivalent, were approved by a person who did not initiate the purchase.

Findings: *A formal purchase order system is not used; however, approval by a person who did not initiate the purchase was noted on the invoice.*

Management's response: *Management has implemented a formal requisition/purchase order system subsequent to the fiscal year under review.*

- c) Payments for purchases were not processed without (1) an approved requisition and/or purchase order, or electronic equivalent; a receiving report showing receipt of goods purchased, or electronic equivalent; and an approved invoice.

Findings: *A formal requisition/purchase order system is not used; however, payments were not processed without an approved invoice or receiving report if applicable.*

Management's response: *Management has implemented a formal requisition/purchase order system subsequent to the fiscal year under review.*

10. Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), report whether the person responsible for processing payments is prohibited from adding vendors to the entity's purchasing/disbursement system.

Findings: *The Business Office Manager is responsible for processing payments and is able to add vendors.*

Management's response: *Management is aware of the segregation of duties deficiency due to limited staff. Compensating controls are in place to detect the addition of unauthorized vendors.*

11. Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), report whether the persons with signatory authority or who make the final authorization for disbursements have no responsibility for initiating or recording purchases.

Findings: *The Director has signatory authority and is responsible for initiating purchases.*

Management's response: *Management is aware of the segregation of duties deficiency due to limited staff. Dual signatures by the Director and a Board member are required on all payments.*

12. Inquire of management and observe whether the supply of unused checks is maintained in a locked location, with access restricted to those persons that do not have signatory authority and report any exceptions. Alternately, if the checks are electronically printed on blank check stock, review entity documentation (electronic system control documentation) and report whether the persons with signatory authority have system access to print checks.

Findings: *Through inquiry with management and observation, the supply of unused checks are stored in a locked drawer in the Business Office Manager's desk. The Director, who has signatory authority, does have access to the unused checks.*

Management's response: *Management is aware of the segregation of duties deficiency due to limited staff. Dual signatures by the Director and a Board member are required on all payments.*

13. If a signature stamp or signature machine is used, inquire of the signer whether his or her signature is maintained under his or her control or is used only with the knowledge and consent of the signer. Inquire of the signer whether signed checks are likewise maintained under the control of the signer or authorized user until mailed. Report any exceptions.

Findings: *A signature stamp is not utilized.*

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

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

Findings: *A list of all active credit cards, bank debit cards, fuel cards, and P -cards was obtained. Management provided representation that the list was complete.*

15. Using the listing prepared by management, randomly select 10 cards (or at least one-third of the cards if the entity has less than 10 cards) that were used during the fiscal period, rotating cards each year. If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner.

Obtain the monthly statements, or combined statements if multiple cards are on one statement, for the selected cards. Select the monthly statement or combined statement with the largest dollar activity for each card (for a debit card, select the monthly bank statement with the largest dollar amount of debit card purchases) and:

- a) Report whether there is evidence that the monthly statement or combined statement and supporting documentation was reviewed and approved, in writing, by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]
- b) Report whether finance charges and/or late fees were assessed on the selected statements.

Findings: *The credit statements and supporting documentation were reviewed and approved, in writing, by the Director and a Board member. No finance charges and/or late fees were assessed on the selected statements.*

16. Using the monthly statements or combined statements selected under #15 above, obtain supporting documentation for all transactions for each of the 10 cards selected (i.e. each of the 10 cards should have one month of transactions subject to testing).

- a) For each transaction, report whether the transaction is supported by
 - An original itemized receipt (i.e., identifies precisely what was purchased)

Findings: *Of the 10 cards selected, 5 did not contain original receipts.*

Management's response: *The 5 exceptions were fuel cards in which each employee has a separate PIN number and the monthly statement is itemized to show all purchases by each employee. The monthly statement is reviewed and approved by the Director and a Board member.*

- Documentation of the business/public purpose. For meal charges, there should also be documentation of the individuals participating.

Findings: *There were no exceptions noted as a result of applying this procedure.*

- Other documentation that may be required by written policy (e.g., purchase order, written authorization.)

Findings: *The written policy did not require any other documentation.*

- b) For each transaction, compare the transaction's detail (nature of purchase, dollar amount of purchase, supporting documentation) to the entity's written purchasing/disbursement policies and the Louisiana Public Bid Law (i.e. transaction is a large or recurring purchase requiring the solicitation of bids or quotes) and report any exceptions.

Findings: *There were no exceptions noted as a result of applying this procedure. None of the purchases met the threshold of the Louisiana Public Bid Law.*

- c) For each transaction, compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. cash advances or non-business purchases, regardless whether they are reimbursed). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.

Findings: *All transactions were in compliance with Article 7, Section 14 of the Louisiana Constitution.*

Travel and Expense Reimbursement

17. Obtain from management a listing of all travel and related expense reimbursements, by person, during the fiscal period or, alternately, obtain the general ledger and sort/filter for travel reimbursements. Obtain management's representation that the listing or general ledger is complete.

Findings: *There were no travel and related expense reimbursements to employees.*

18. Obtain the entity's written policies related to travel and expense reimbursements. Compare the amounts in the policies to the per diem and mileage rates established by the U.S. General Services Administration (www.gsa.gov) and report any amounts that exceed GSA rates.

Findings: *The District provided written policies and procedures for travel and expense reimbursements. The policy does not exceed the GSA rates.*

19. Using the listing or general ledger from #17 above, select the three persons who incurred the most travel costs during the fiscal period. Obtain the expense reimbursement reports or prepaid expense documentation of each selected person, including the supporting documentation, and choose the largest travel expense for each person to review in detail. For each of the three travel expenses selected:
 - a) Compare expense documentation to written policies and report whether each expense was reimbursed or prepaid in accordance with written policy (e.g., rates established for meals, mileage, lodging). If the entity does not have written policies, compare to the GSA rates (#18 above) and report each reimbursement that exceeded those rates.
 - b) Report whether each expense is supported by:
 - An original itemized receipt that identifies precisely what was purchased. [Note: An expense that is reimbursed based on an established per diem amount (e.g., meals) does not require a receipt.]
 - Documentation of the business/public purpose (Note: For meal charges, there should also be documentation of the individuals participating).

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- Other documentation as may be required by written policy (e.g., authorization for travel, conference brochure, certificate of attendance)
- c) Compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. hotel stays that extend beyond conference periods or payment for the travel expenses of a spouse). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.
- d) Report whether each expense and related documentation was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Findings: *There were no travel and related expense reimbursements to employees.*

Contracts

20. Obtain a listing of all contracts in effect during the fiscal period or, alternately, obtain the general ledger and sort/filter for contract payments. Obtain management's representation that the listing or general ledger is complete.

Findings: *A list of all contracts in effect during the fiscal period and management's representation that the listing is complete were obtained.*

21. Using the listing above, select the five contract "vendors" that were paid the most money during the fiscal period (excluding purchases on state contract and excluding payments to the practitioner). Obtain the related contracts and paid invoices and:
- a) Report whether there is a formal/written contract that supports the services arrangement and the amount paid.

Findings: *There was no formal written contract that supported the Medical Director's service arrangement.*

Management's response: *A formal written contract was signed in 2018.*

- b) Compare each contract's detail to the Louisiana Public Bid Law or Procurement Code. Report whether each contract is subject to the Louisiana Public Bid Law or Procurement Code and:
 - If yes, obtain/compare supporting contract documentation to legal requirements and report whether the entity complied with all legal requirements (e.g., solicited quotes or bids, advertisement, selected lowest bidder)

Findings: *There were no contracts subject to the Louisiana Public Bid Law.*

- If no, obtain supporting contract documentation and report whether the entity solicited quotes as a best practice.

Findings: *The District did not solicit quotes for contracts that did not meet the requirements of the Public Bid Law.*

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- c) Report whether the contract was amended. If so, report the scope and dollar amount of the amendment and whether the original contract terms contemplated or provided for such an amendment.

Findings: *No contracts amendments were noted.*

- d) Select the largest payment from each of the five contracts, obtain the supporting invoice, compare the invoice to the contract terms, and report whether the invoice and related payment complied with the terms and conditions of the contract.

Findings: *There were no exceptions noted as a result of applying this procedure.*

- e) Obtain/review contract documentation and board minutes and report whether there is documentation of board approval, if required by policy or law (e.g. Lawrason Act or Home Rule Charter).

Findings: *There were no exceptions noted as a result of applying this procedure.*

Payroll and Personnel

22. Obtain a listing of employees (and elected officials, if applicable) with their related salaries, and obtain management's representation that the listing is complete. Randomly select five employees/officials, obtain their personnel files, and:

- a) Review compensation paid to each employee during the fiscal period and report whether payments were made in strict accordance with the terms and conditions of the employment contract or pay rate structure.
- b) Review changes made to hourly pay rates/salaries during the fiscal period and report whether those changes were approved in writing and in accordance with written policy.

Findings: *A listing of all employees with their related salaries was obtained. Management provided representation that the listing was complete. There were no exceptions in applying the above procedures.*

23. Obtain attendance and leave records and randomly select one pay period in which leave has been taken by at least one employee. Within that pay period, randomly select 25 employees/officials (or randomly select one-third of employees/officials if the entity had less than 25 employees during the fiscal period), and:

- a) Report whether all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)

Findings: *There were no exceptions noted as a result of applying this procedure.*

- b) Report whether there is written documentation that supervisors approved, electronically or in writing, the attendance and leave of the selected employees/officials.

Findings: *There were no exceptions noted as a result of applying this procedure.*

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- c) Report whether there is written documentation that the entity maintained written leave records (e.g., hours earned, hours used, and balance available) on those selected employees/officials that earn leave.

Findings: *There were no exceptions noted as a result of applying this procedure.*

- 24. Obtain from management a list of those employees/officials that terminated during the fiscal period and management's representation that the list is complete. If applicable, select the two largest termination payments (e.g., vacation, sick, compensatory time) made during the fiscal period and obtain the personnel files for the two employees/officials. Report whether the termination payments were made in strict accordance with policy and/or contract and approved by management.

Findings: *There were no employees terminated during the fiscal period.*

- 25. Obtain supporting documentation (e.g. cancelled checks, EFT documentation) relating to payroll taxes and retirement contributions during the fiscal period. Report whether the employee and employer portions of payroll taxes and retirement contributions, as well as the required reporting forms, were submitted to the applicable agencies by the required deadlines.

Findings: *There were no exceptions noted as a result of applying this procedure.*

Ethics (excluding nonprofits)

- 26. Using the five randomly selected employees/officials from procedure #22 under "Payroll and Personnel" above, obtain ethics compliance documentation from management and report whether the entity maintained documentation to demonstrate that required ethics training was completed.

Findings: *There were no exceptions noted as a result of applying this procedure.*

- 27. Inquire of management whether any alleged ethics violations were reported to the entity during the fiscal period. If applicable, review documentation that demonstrates whether management investigated alleged ethics violations, the corrective actions taken, and whether management's actions complied with the entity's ethics policy. Report whether management received allegations, whether management investigated allegations received, and whether the allegations were addressed in accordance with policy.

Findings: *There were no exceptions noted as a result of applying this procedure.*

Debt Service (excluding nonprofits)

- 28. If debt was issued during the fiscal period, obtain supporting documentation from the entity, and report whether State Bond Commission approval was obtained.

Findings: *The District does not have any debt.*

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29. If the entity had outstanding debt during the fiscal period, obtain supporting documentation from the entity and report whether the entity made scheduled debt service payments and maintained debt reserves, as required by debt covenants.

Findings: *The District does not have any debt.*

30. If the entity had tax millages relating to debt service, obtain supporting documentation and report whether millage collections exceed debt service payments by more than 10% during the fiscal period. Also, report any millages that continue to be received for debt that has been paid off.

Findings: *The District does not have any debt.*

Other

31. Inquire of management whether the entity had any misappropriations of public funds or assets. If so, obtain/review supporting documentation and report whether the entity reported the misappropriation to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

Findings: *No exceptions were noted in applying the above procedure.*

32. Observe and report whether the entity has posted on its premises and website, the notice required by R.S. 24:523.1. This notice (available for download or print at www.la.gov/hotline) concerns the reporting of misappropriation, fraud, waste, or abuse of public funds.

Findings: *No exceptions were noted in applying the above procedure.*

33. If the practitioner observes or otherwise identifies any exceptions regarding management's representations in the procedures above, report the nature of each exception.

Findings: *No exceptions were noted in applying the above procedure.*

We were not engaged to perform, and did not perform, an audit, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the user of management of Lower Cameron Ambulance Service District and the Louisiana Legislative Auditor and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Lester Miller & Wells

Certified Public Accountants
Lafayette, Louisiana

June 22, 2018