

**AMBULANCE SERVICE DISTRICT  
No. 1 OF LAFOURCHE PARISH  
Cut Off, Louisiana  
December 31, 2017  
and  
December 31, 2016**

**Audits of Financial Statements**

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Board of Commissioners  
**Ambulance Service District No. 1**  
**of Lafourche Parish**

INDEPENDENT AUDITOR'S REPORT

**Report on the Financial Statements**

I have audited the accompanying financial statements of the business-type activities and each major fund of **Ambulance Service District No. 1 of Lafourche Parish**, component unit of the Lafourche Parish Council, as of and for the years ended December 31, 2017 and December 31, 2016, and the related notes to the financial statements which collectively comprise the Ambulance 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**

My responsibility is to express opinions on these financial statements based on my audits. I conducted my 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 I plan and perform the audits 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, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

**Opinions**

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and each major fund of **Ambulance Service District No. 1 of Lafourche Parish** as of December 31, 2017 and December 31, 2016, and the respective changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

INDEPENDENT AUDITOR'S REPORT  
(Continued)

**Other Matters**

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 8 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. I 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 inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquires, the basic financial statements, and other knowledge I obtained during my audits of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Other Information

My audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the **Ambulance Service District No. 1 of Lafourche Parish's** basic financial statements. The accompanying supplementary information such as the Board Members Per Diem and Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Board Members Per Diem and 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 audits 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 my opinion, the Board Members Per Diem and Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer are fairly stated in all material respects in relation to the basic financial statements as a whole.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, I have also issued my report dated June 7, 2018 on my consideration of **Ambulance Service District No. 1 of Lafourche Parish** internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of **Ambulance Services District No. 1 of Lafourche Parish** 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 **Ambulance Service District No.1 of Lafourche Parish** internal control over financial reporting and compliance.



Aldon G. Wahl, Jr.  
Certified Public Accountant

June 7, 2018

**AMBULANCE SERVICE DISTRICT NO. 1  
OF LAFOURCHE PARISH**

**MANAGEMENT DISCUSSION AND ANALYSIS**

This section of **AMBULANCE SERVICE DISTRICT NO. 1 OF LAFOURCHE PARISH** annual financial report presents background information and management's analysis of the Ambulance District's financial performance during the fiscal year that ended December 31, 2017. Please read it in conjunction with the financial statements in this report.

**Financial Highlights**

- The Ambulance District's total assets increased by \$733,796 due primarily to an increase in net cash and net capital assets.
- During the year, the Ambulance District's total operating revenues increased \$364,308 from prior year. The Ambulance District had an increase in operating expenses of \$231,355. The increase in operating expenses was primarily due to an increase in salaries, related benefits, insurance and depreciation expense.
- The Ambulance District increased net position by \$656,641.
- Net patient service revenue increased by \$350,096 from the prior year.
- Other operating revenue increased by \$14,212 compared to prior year.
- Current liabilities increased \$77,155 compared to the prior year.

**Overview of the Financial Statements**

This financial report consists of four parts: Management's Discussion and Analysis, Basic Financial Statements, and Supplementary Information and various governmental compliance reports and schedules by certified public accountants and management. The Basic financial Statements also include notes to the financial statements, which explain some of the information in the financial statements in more detail.

**Required Basic Financial Statements**

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

**AMBULANCE SERVICE DISTRICT NO. 1  
OF LAFOURCHE PARISH**

**MANAGEMENT DISCUSSION AND ANALYSIS**

**Financial Analysis of the Ambulance District**

The Statement of Net Position and the Statement of Revenue, Expenses, and Changes in Net Position report information about the Ambulance District's activities. These two statements report the net position of the Ambulance District and changes in them. Increases or decreases in the Ambulance District's net position are one indicator of whether its financial health is improving or deteriorating. However, other non-financial factors such as changes in the economic conditions, population growth and new or changed government legislation.

***Net Assets***

A Summary of the Ambulance District's Statement of Net Position is present in Table 1 below:

**TABLE 1  
Statement of Net Position  
(in thousands)**

	<u>December 31</u>		<u>Dollar Change</u>	<u>Percentage Change</u>
	<u>2017</u>	<u>2016</u>		
Current and Other Assets	\$7,877,601	\$7,208,656	\$ 668,945	9.28%
Capital Assets – Net	<u>1,640,624</u>	<u>1,575,773</u>	<u>64,851</u>	<u>4.12%</u>
Total Assets	<u>\$9,518,225</u>	<u>\$8,784,429</u>	<u>\$ 733,796</u>	<u>8.35%</u>
Current Liabilities	\$ 233,258	\$ 156,103	\$ 77,155	49.43%
Noncurrent Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>\$ 233,258</u>	<u>\$ 156,103</u>	<u>\$ 77,155</u>	<u>49.43%</u>
Net Position				
Invested in Capital Assets	1,640,624	1,575,773	64,851	4.12%
Unrestricted	<u>7,644,343</u>	<u>7,052,553</u>	<u>591,790</u>	<u>8.39%</u>
Total Net Position	<u>\$ 9,284,967</u>	<u>\$8,628,326</u>	<u>\$ 656,641</u>	<u>7.61%</u>

As can be seen in Table 1, total assets increased from 8,784,429 to 9,518,225 in fiscal year 2017. The change in total assets results primarily from an increase in receivables, cash, and capital assets.

**AMBULANCE SERVICE DISTRICT NO. 1  
OF LAFOURCHE PARISH**

**MANAGEMENT DISCUSSION AND ANALYSIS**

*Summary of Revenue, Expenses and Changes in Net Position*

**TABLE 2  
Condensed Statements of Revenues, Expenses and Changes in Net Position**

	Years Ended December 31	
	<u>2017</u>	<u>2016</u>
Net Patient Service Revenue, (Net of Provision for Bad Debts of \$940,947 for 2017 and \$1,165,606 for 2016)	\$1,973,758	\$1,623,662
Other Revenue, Net	<u>60,143</u>	<u>45,931</u>
Total Operating Revenue	<u>2,033,901</u>	<u>1,669,593</u>
Depreciation	361,798	324,051
Other operating expenses	<u>2,921,295</u>	<u>2,727,687</u>
Total Operating Expenses	<u>3,283,093</u>	<u>3,051,738</u>
Loss From Operations	(1,249,192)	(1,382,145)
Non-operating Income	<u>1,905,833</u>	<u>2,218,334</u>
Change in Net Assets	656,641	836,189
<b>Net Position – Beginning of Year</b>	<u>8,628,326</u>	<u>7,792,137</u>
<b>Net Position – End of Year</b>	<u>\$9,284,967</u>	<u>\$8,628,326</u>

***Sources of Revenue***

*Operating Revenue*

During fiscal year 2017, the Ambulance District derived the majority of its total operating revenue from patient service revenue. Patient service revenue includes revenue from the Medicare and Medicaid programs and patients, or their third-party payors, who receive ambulance care. As can be seen in Table 3 the number of ambulance trips was up 12.37% from the previous year while Gross Charges Billed increased 4.50%. There was a decrease of 19.27% in the bad debts experienced.

**AMBULANCE SERVICE DISTRICT NO. 1  
OF LAFOURCHE PARISH**

**MANAGEMENT DISCUSSION AND ANALYSIS  
(Continued)**

*Other Revenue*

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

*Non-operating Revenue*

The majority of Non-operating revenue is from millage (Ad valorem) taxes received by the district. The district received millage (Ad valorem) taxes of \$1,805,390 in 2017 and \$2,109,440 in 2016 net of assessor's fees of \$57,205 in 2017 and \$66,626 in 2016. The district also receives revenue sharing of approximately \$10,000 per year and has investment income from its investments which consisted mainly of money market accounts throughout the year.

*Operating Expenses*

Operating expenses increased due to an increase in salaries, related benefits, insurance and depreciation expense.

Table 3 presents the gross charges billed for patient services and the number of ambulance trips for the fiscal years ended December 31, 2017 and 2016.

**TABLE 3  
Gross Charges Billed and Ambulance Trips**

	Year Ended December 31,	
	2017	2016
Gross Charges Billed	\$2,914,705	\$2,789,268
Number of Trips	4,006	3,565

***Summary of Cash Flows***

**TABLE 4  
Condensed Statements of Cash Flows**

	Year Ended December 31,	
	2017	2016
Cash and Cash Equivalents Provided By (Used In)		
Operating Activities	\$( 585,652)	\$( 949,995)
Non-capital Financing Activities	1,975,188	1,985,722
Capital and Related Financing Activities	( 426,649)	( 641,576)
Investing Activities	5,542	1,637
Net Increase(Decrease) in Cash and Cash Equivalents	968,429	395,788
Cash and Cash Equivalents		
Beginning of Year	4,566,209	4,170,421
End of Year	\$5,534,638	\$ 4,566,209

**AMBULANCE SERVICE DISTRICT NO. 1  
OF LAFOURCHE PARISH**

**MANAGEMENT DISCUSSION AND ANALYSIS**

**Capital Assets**

The Ambulance District's capital assets activities are included in Table 4 below:

**TABLE 5  
Capital Assets**

	December 31 <u>2017</u>	December 31 <u>2016</u>	Dollar <u>Change</u>	Percentage <u>Change</u>
Land	\$ 137,600	112,600	\$ 25,000	22.20%
Construction in Progress	318,821	---	318,821	100.00%
Buildings	695,970	695,970	---	---
Vehicles (Ambulances)	1,240,831	1,232,339	8,492	6.89%
Furniture and Equipment	210,005	190,572	19,433	10.20%
Medical Equipment	924,230	894,580	29,650	3.31%
Communication Equipment	134,191	121,846	12,345	10.13%
Other Equipment	<u>146,460</u>	<u>133,552</u>	<u>12,908</u>	<u>9.67%</u>
	3,808,108	3,381,459	426,649	12.62%
Accumulated Depreciation	<u>2,167,484</u>	<u>1,805,686</u>	<u>361,798</u>	<u>20.04%</u>
Net Capital Assets	<u>\$1,640,624</u>	<u>\$1,575,773</u>	<u>\$ 64,851</u>	<u>4.12%</u>

Major capital asset events during the current fiscal year included the following:

- The district purchased \$12,345 of various communication equipment.
- The district purchased \$19,433 of furniture and equipment.
- The district purchased \$12,908 of other equipment.
- The district purchased land of \$25,000.
- The district purchased vehicles for \$8,492.
- The district purchased \$29,650 of medical equipment.
- \$318,821 was capitalized as construction in progress for the Larose substation.

**Economic Factors and Next Year's Budgets and Rates**

The district's Board of Directors and management considered the following factors and indicators when setting next year's budget, rates and fees. These factors and indicators include:

- The Economy
- Changes in Medicare Regulations
- Changes in Medicaid Regulations
- Changes in Health Care Industry
- Millage Rate
- Fee Schedule
- Recent Healthcare Legislation

The tax revenues are expected to increase slightly from the prior year. Net patient service should remain steady. The district does not expect any significant variances for its other revenues or expenses. Normal increases are expected for insurance, salaries and related benefits.

**AMBULANCE SERVICE DISTRICT NO. 1  
OF LAFOURCHE PARISH**

**MANAGEMENT DISCUSSION AND ANALYSIS**

**Contacting the District's Financial Manager**

This financial report is designed to provide our citizens, customers and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact District Administration:

Ambulance Service District No. 1 of Lafourche Parish  
17078 West Main Street  
Cut Off, LA 70345

**AMBULANCE SERVICE DISTRICT NO. 1  
OF LAFOURCHE PARISH**

**STATEMENT OF NET POSITION**

	<u>December 31,</u>	
	<u>2017</u>	<u>2016</u>
<b><u>ASSETS</u></b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 5,534,638	\$ 4,566,209
Investments	255,241	250,678
Patients accounts receivable, less allowance for doubtful accounts of \$308,328 and \$519,421 respectively	247,058	238,235
Millage tax receivable, less allowance for doubtful accounts of \$54,162 and \$42,189 respectively	1,751,228	2,067,251
Other accounts receivables, less allowance for doubtful accounts of \$ 0 and \$ 0 respectively	4,584	3,981
Prepaid expenses	<u>84,802</u>	<u>82,252</u>
Total current assets	<u>7,877,551</u>	<u>7,208,606</u>
<b>NON CURRENT ASSETS</b>		
<b>CAPITAL ASSETS</b>		
Capital assets, net	<u>1,640,624</u>	<u>1,575,773</u>
<b>OTHER ASSETS</b>		
	<u>50</u>	<u>50</u>
Total noncurrent assets	<u>1,640,674</u>	<u>1,575,823</u>
Total assets	<u>\$ 9,518,225</u>	<u>\$ 8,784,429</u>
<b><u>LIABILITIES</u></b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 5,195	\$ 13,299
Accrued vacation and sick pay	143,310	137,086
Payroll liabilities payable	535	5,718
Contract Payable	53,010	-
Retainage Payable	<u>31,208</u>	<u>-</u>
Total liabilities	<u>233,258</u>	<u>156,103</u>
<b><u>NET POSITION</u></b>		
Invested in capital assets , net of related debt	1,640,624	1,575,773
Unrestricted	<u>7,644,343</u>	<u>7,052,553</u>
Total net position	<u>\$ 9,284,967</u>	<u>\$ 8,628,326</u>

The accompany notes are an integral part of these financial statements.

**AMBULANCE SERVICE DISTRICT NO. 1  
OF LAFOURCHE PARISH**

**STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN  
NET POSITION**

	December 31,	
	2017	2016
<b><u>NET PATIENT SERVICE REVENUE</u></b> , Net		
of Provision for Bad Debts of \$940,947 for 2017 and \$1,165,606 for 2016	\$ 1,973,758	\$ 1,623,662
<b><u>OTHER OPERATING REVENUE</u></b>	60,143	45,931
Total operating revenues	2,033,901	1,669,593
<b><u>OPERATING EXPENSES:</u></b>		
Contractual services	51,310	49,038
Depreciation	361,798	324,051
Fuel	50,942	40,346
Insurance - general	220,612	204,106
Insurance - medical	229,662	209,803
Medical supplies	86,785	80,185
Miscellaneous expenses	20,300	32,373
Office and general supplies	21,782	20,791
Payroll taxes and retirement	217,469	200,734
Postage	5,788	5,468
Professional fees	5,175	5,175
Rent	19,920	19,920
Repairs and maintenance	103,276	91,671
Salaries	1,823,423	1,711,483
Telephone	26,981	26,452
Tower expense	6,750	-
Uniforms	8,842	8,411
Utilities	22,278	21,731
Total operating expenses	3,283,093	3,051,738
Operating income (loss)	(1,249,192)	(1,382,145)
<b><u>NONOPERATING REVENUES (EXPENSES):</u></b>		
Millage tax, net of assessor's fees of \$57,205 in 2017 and \$66,626 in 2016	1,805,390	2,109,440
Revenue sharing	10,520	10,104
Investment income(loss)	11,031	6,532
Miscellaneous Income	78,892	98,947
Gain <loss> from disposal of capital assets	-	(5,403)
Interest expense	-	(1,286)
Total nonoperating revenue (expenses)	1,905,833	2,218,334
Change in net position	656,641	836,189
<b><u>NET POSITION, BEGINNING OF YEAR</u></b>	8,628,326	7,792,137
<b><u>NET POSITION, END OF YEAR</u></b>	\$ 9,284,967	\$ 8,628,326

The accompany notes are an integral part of these financial statements.

**AMBULANCE SERVICE DISTRICT NO. 1  
OF LAFOURCHE PARISH**

**STATEMENTS OF CASH FLOWS**

	<u>December 31.</u>	
	<u>2017</u>	<u>2016</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Cash received from patients and third-party payors	\$ 2,261,039	\$ 1,783,127
Cash payments to employees for services and benefits	(2,185,295)	(2,111,818)
Cash payments to suppliers of goods and services	<u>( 661,396)</u>	<u>( 621,304)</u>
Net cash used in operating activities	<u>( 585,652)</u>	<u>( 949,995)</u>
 <b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:</b>		
Millage tax	1,964,668	1,975,618
Revenue sharing	<u>10,520</u>	<u>10,104</u>
Net cash provided by non-capital financing activities	<u>1,975,188</u>	<u>1,985,722</u>
 <b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>		
Acquisition of capital assets	( 426,649)	( 600,748)
Proceeds Sale of Capital assets	---	33,100
Capital lease obligations:		
Proceeds	---	---
Principal	<u>---</u>	<u>( 73,928)</u>
Net cash used for capital and related financing activities	<u>( 426,649)</u>	<u>( 641,576)</u>
 <b>CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES:</b>		
Purchase of investment securities	( 5,489)	( 4,894)
Investment Income (loss)	<u>11,031</u>	<u>6,531</u>
Net cash provided by (used in) investing activities	<u>5,542</u>	<u>1,637</u>
 <b>NET INCREASE(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>968,429</b>	<b>395,788</b>
 <b>CASH AND CASH EQUIVALENTS – BEGINNING OF YEAR</b>	<b><u>4,566,209</u></b>	<b><u>4,170,421</u></b>
 <b>CASH AND CASH EQUIVALENTS – END OF YEAR</b>	<b><u>\$5,534,638</u></b>	<b><u>\$4,566,209</u></b>

The accompany notes are an integral part of these financial statements.

**AMBULANCE SERVICE DISTRICT NO. 1  
OF LAFOURCHE PARISH**

**STATEMENTS OF CASH FLOWS  
(Continued)**

	<u>December 31,</u>	
	<u>2017</u>	<u>2016</u>
<b>RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES</b>		
Operating loss	\$(1,249,192)	\$(1,382,145)
Adjustments to reconcile operating loss to net cash used in operating activities		
Depreciation	361,798	324,051
Provision for uncollectible accounts	940,947	1,165,606
Gain (loss) disposal of assets	---	( 5,403)
Changes in assets and liabilities:		
(Increase) decrease in receivables	( 713,810)	(1,046,669)
(Increase) decrease in prepaid expenses	( 2,550)	( 9,322)
Increase (decrease) in accounts payable	( 8,104)	( 6,315)
Increase (decrease) in accrued vacation and sick pay	6,224	9,772
Increase (decrease) in contract payable	53,010	---
Increase (decrease) in retainage payable	31,208	---
Increase (decrease) in payroll liabilities payable	<u>( 5,183)</u>	<u>430</u>
Net cash provided by (used in) operating activities	<u>( 585,652)</u>	<u>( 949,995)</u>
 <b>SUPPLEMENTAL CASH FLOW INFORMATION</b>		
Cash paid during the year for interest	<u>\$ ---</u>	<u>\$ 1,286</u>

The accompany notes are an integral part of these financial statements.

**AMBULANCE SERVICE DISTRICT NO. 1  
OF LAFOURCHE PARISH**

**NOTES TO FINANCIAL STATEMENTS**

**INTRODUCTION**

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

**NOTE A**

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**REPORTING ENTITY**

Government Accounting Standards Board (GASB) Statement No. 14 established criteria for determining which component units should be considered part of the reporting entity for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and
  - a. The ability of the Parish to impose its will on that organization and/or
  - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the Parish.
2. Organizations for which the Parish does not appoint a voting majority but are fiscally dependent on the Parish.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Because the Lafourche Parish Council appoints all members of the district's governing board it has the ability to impose its will on the District, and therefore the Ambulance District was determined to be a component unit of Lafourche Parish. The accompanying basic financial statements present information only on the funds maintained by the Ambulance District and do not present information on Lafourche Parish, the general government services provided by that government unit, or the other governmental units that comprise the financial reporting entity.

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

**AMBULANCE SERVICE DISTRICT NO. 1  
OF LAFOURCHE PARISH**

**NOTES TO FINANCIAL STATEMENTS  
(continued)**

**NOTE A**

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**ACCOUNTING STANDARDS**

The financial statements of the **Ambulance Service District No. 1 of Lafourche Parish** have been prepared in conformity with Generally Accepted Accounting Principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. Pursuant to Governmental Accounting Standards Board (GASB) Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, the district has elected to apply the provisions of all relevant pronouncements of the Financial Accounting Standards Board (FASB), including those issued on or before November 30, 1989, that do not conflict with or contradict GASB pronouncements.

**PROPRIETARY FUND ACCOUNTING**

Proprietary funds are used to account for ongoing operations and activities that are similar to those often found in the private sector. The measurement focus is based upon determination of net income, financial position, and cash flows. The two types of proprietary funds are enterprise and internal service funds. The District's fund is a enterprise fund.

**ENTERPRISE FUNDS**

Enterprise funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

**BASIS OF ACCOUNTING**

Basis of Accounting refers to when revenues and expenditures (or expenses) are recognized and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. The accrual basis of accounting is followed in recording revenues and expenses by the district. Under the accrual basis of accounting revenues are recognized when they are earned and expenses are recognized when incurred.

**REVENUES**

Ad valorem taxes are recognized in the year the taxes are levied. Net patient revenues (ambulance charges) and services provided under cooperative endeavor agreements are recognized when the services are rendered.

**EXPENSES**

Expenses are recognized when the related liability is incurred.

**AMBULANCE SERVICE DISTRICT NO. 1  
OF LAFOURCHE PARISH**

**NOTES TO FINANCIAL STATEMENTS**  
(continued)

**NOTE A**

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

**CAPITAL ASSETS-PROPERTY, PLANT AND EQUIPMENT**

Property plant and equipment are recorded at cost. Donated equipment is recorded at fair value at the date of donation, which is then treated as cost. Depreciation is computed under the straight-line method of depreciation based on the estimated useful lives of the individual assets. Depreciation is charged as an expense to operations. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are expensed as incurred. Major replacements and improvements are capitalized at cost.

For purposes of presentation, transactions deemed by management to be ongoing, major or central to the provision of ambulance care services are reported as operating revenues and expenses. Peripheral or incidental transactions are reported as non-operating income and expense.

**NET POSITION**

Net position represents the difference between assets and liabilities. Net position classifications are defined as follows:

**Net Position Invested in Capital Assets, Net of Related Debt** – Consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds are not included in the calculation of invested in capital assets, net of related debt. Rather, that portion of the debt is included in the same net assets component as the unspent proceeds.

**Restricted Net Position** - Net position is reported as restricted when there are limitations imposed on its use, either through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

**Unrestricted Net Position** – This component of net position consists of net position that does not meet the definition of “restricted” or “invested in capital assets, net of related debt,” as described above.

The district first applies restricted resources when expenditures are incurred for purposes for which both restricted and unrestricted net position is available. The district had no restricted net position at December 31, 2017 and December 31, 2016.

**AMBULANCE SERVICE DISTRICT NO. 1  
OF LAFOURCHE PARISH**

**NOTES TO FINANCIAL STATEMENTS**  
(continued)

**NOTE A**

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**CASH AND INVESTMENTS**

Cash includes demand deposits, money market accounts and certificates of deposit in banks with a maturity of 90 days or less at purchase and are recorded at cost plus accrued interest which approximates market value.

Investments with a original maturities in excess of 90 days (including certificates of deposits) are classified as investments. If the original maturity is 90 days or less they are classified as cash equivalents. Investments are stated at fair market value. Interest, dividends, and gains and losses, both realized and unrealized, on investments are included in non-operating revenue when earned.

Investments in debt and equity securities are carried at fair value except for investments in debt securities with maturities of less than one year at the time of purchase. These investments are reported at amortized cost, which approximates fair value. Interest, dividends, and gains and losses, both realized and unrealized, on investments in debt and equity securities are included in non-operating income when earned.

Louisiana state law allows all political subdivisions to invest excess funds in obligations of the United States, certificates of deposit of any bank domiciled or having a branch office in the State of Louisiana or any other federally insured investments, guaranteed investment contracts and investment grade (A-1/P-1) commercial paper of domestic corporations.

**CASH AND CASH EQUIVALENTS**

For purposes of the statement of cash flows, the District considers all cash on hand, demand deposits, money market accounts and investments with an original maturity of three months or less to be cash equivalents.

**REVENUE RECOGNITION - PROPERTY TAXES**

Ad valorem taxes are assessed on a calendar year basis, become due on November 15 of each year, and become delinquent on December 31. The taxes are generally collected in December, January and February. Ad valorem taxes (which are based on population and homesteads in the parish) are recorded in the year the taxes are levied. The Lafourche Parish Tax Collector bills and collects taxes for the district.

**NET PATIENT SERVICE REVENUE AND RELATED RECEIVABLE**

Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors and others for services rendered.

The district provides care to patients even though they may lack adequate insurance or may be covered under contractual arrangements that do not pay full charges. As a result, the district is exposed to certain credit risks. The district manages such risk by regularly reviewing it's accounts and contracts, and by providing appropriate allowances.

**AMBULANCE SERVICE DISTRICT NO. 1  
OF LAFOURCHE PARISH**

**NOTES TO FINANCIAL STATEMENTS  
(continued)**

**NOTE A**

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

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

**ALLOWANCE FOR DOUBTFUL ACCOUTS**

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

**COMPENSATED ABSENCES**

Compensated absences (vacation leave and sick pay) are accounted for in accordance with GASB Statement No. 16.

Vacation and sick leave are determined by length of service for full-time employees as follows:

1 year completed	1 week vacation and 1 week sick leave
2-4 years	2 weeks vacation and 2 week sick leave
5 years or more	3 weeks vacation and 3 weeks sick leave

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

The liability for compensated absences is recorded on the district's Statement of Net Assets.

**USE OF ESTIMATES**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities 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.

**ASSETS LIMITED AS TO USE**

Assets limited as to use (if any) primarily include assets held by trustees under indenture agreements and designated assets set aside by the Board of Commissioners for employee benefits and future capital improvements, over which the Board retains control and may at its discretion subsequently use for other purposes. The district had no assets limited as to use at December 31, 2017 and December 31, 2016.

**AMBULANCE SERVICE DISTRICT NO. 1  
OF LAFOURCHE PARISH**

**NOTES TO FINANCIAL STATEMENTS**  
(continued)

**NOTE A**

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**COSTS OF BORROWING**

Interest cost incurred on borrowed funds during the period of construction of capital assets is capitalized as a component of the cost of acquiring those assets. Interest earned on these same borrowed funds, before the funds are spent on the construction of the capital assets, is also capitalized.

**NON-DIRECT RESPONSE ADVERTISING**

The District expenses advertising costs as incurred

**FAIR VALUES OF FINANCIAL INSTRUMENTS**

The district applies the provisions of FASB ASC 820, *Fair Value Measurements and Disclosures*. See Note M for details on fair values used for the district's assets and liabilities.

**PREPAID ITEMS**

Insurance payments made to insurance agencies that will benefit periods beyond the current period are recorded as prepaid items.

**OPERATING REVENUES AND EXPENSES**

The District's statements of revenues, expenses and changes in net position distinguish between operating and non-operating revenues and expenses. Operating revenues result from exchange transactions associated with providing ambulance services, the 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 ambulance services, other than financing costs.

**NET PATIENT SERVICE REVENUE**

Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors, and others for services rendered. Adjustments are considered in the recognition of revenue on an estimated basis in the period the related services are rendered, and such amounts are adjusted in future periods as adjustments become known.

Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term.

**AMBULANCE SERVICE DISTRICT NO. 1  
OF LAFOURCHE PARISH**

**NOTES TO FINANCIAL STATEMENTS  
(continued)**

**NOTE B**

**CASH AND INVESTMENTS**

**CASH AND CASH EQUIVALENTS**

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

At December 31, 2017 and 2016, the carrying amount of the ambulance district's cash was \$5,534,638 and \$4,566,209, respectively, and the bank balance was \$5,454,616 and \$4,622,177, respectively. At December 31, 2017 and December 31, 2016 all deposits were fully secured from risk by federal deposit insurance or by pledged securities held by the District's third party agent in the district's name. Cash and cash equivalents are stated at cost, plus accrued interest, which approximates market. The carrying amounts for cash and cash equivalents at December 31, 2017 and December 31, 2016 respectively, are as follows:

	<u>December 31, 2017</u>	<u>December 31, 2016</u>
Noninterest-bearing demand deposits	\$ -	\$ -
Interest-bearing demand deposits	250,788	174,771
Money market accounts	5,283,850	4,391,438
Certificates of deposits		
	<u>\$ 5,534,638</u>	<u>\$ 4,566,209</u>

**CASH AND INVESTMENTS**

GASB Statement No. 40, which amended GASB Statement No. 3, only requires disclosure of deposits that are considered to be exposed to custodial credit risk. An entity's deposits are exposed to custodial credit risk if the deposit balances are either:

- 1) *uninsured and uncollateralized,*
- 2) *uninsured and collateralized with securities held by the pledging financial institution or*
- 3) *uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the entity's name*

At December 31, 2017 and December 31, 2016, the Ambulance District had no deposits that were required to be reported in any of the three categories listed above. This includes both Cash and Cash Equivalents (above) and Certificates of Deposit reported as Investments.

**AMBULANCE SERVICE DISTRICT NO. 1  
OF LAFOURCHE PARISH**

**NOTES TO FINANCIAL STATEMENTS  
(continued)**

**INVESTMENTS**

Investments are stated at fair value. The district accounts for its investments in accordance with GASB Statement 31. This statement requires investments to be carried at fair value. Fair value has been determined at the last reported sales price on a national exchange.

Investments at December 31, 2017 are as follows:

	<u>Investment Maturities (in Years)</u>			<u>Carrying Amount</u>	<u>Fair Value</u>
	Less than <u>1</u>	<u>1-5</u>	<u>6-10</u>		
<u>Type of Investment</u>					
Certificates of Deposits	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
Governmental Mutual Fund	<u>255,241</u>	_____	_____	<u>255,241</u>	<u>255,241</u>
TOTAL	<u>\$255,241</u>	_____	_____	<u>\$255,241</u>	<u>\$255,241</u>

Investments at December 31, 2016 are as follows:

	<u>Investment Maturities (in Years)</u>			<u>Carrying Amount</u>	<u>Fair Value</u>
	Less than <u>1</u>	<u>1-5</u>	<u>6-10</u>		
<u>Type of Investment</u>					
Certificates of Deposits	\$ _____	_____	\$ _____	\$ _____	\$ _____
Governmental Mutual Fund	<u>250,678</u>	_____	_____	<u>250,678</u>	<u>250,678</u>
TOTAL	<u>\$250,678</u>	\$ _____	\$ _____	<u>\$250,678</u>	<u>\$250,678</u>

**AMBULANCE SERVICE DISTRICT NO. 1  
OF LAFOURCHE PARISH**

**NOTES TO FINANCIAL STATEMENTS**  
(continued)

**CONCENTRATION OF CREDIT RISK**

The District places no limit on the amount it may invest in any one issuer. Issuers comprising more than 5 percent of the District's investments at December 31, 2017 and December 31, 2016 are as follows:

<u>ISSUER</u>	<u>December 31, 2017</u>	<u>December 31, 2016</u>
Certificates of Deposit	-	-
Mutual Fund U.S. Govt.	100 %	100 %

**INTEREST RATE RISK**

The district does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from changing interest rates. All of the district's investments have maturities of less than one year.

**CREDIT RISK**

As of December 31, 2017 and December 31, 2016 all of the District's investments were entirely insured or collateralized by investments held by the District's third party agent in the District's name.

The district has no formal policy regarding credit risk. The district follows the Louisiana Revised Statutes when investing idle funds.

**NOTE C**

**CAPITAL ASSETS  
PROPERTY, PLANT AND EQUIPMENT**

A summary of property and equipment at December 31, 2017 and 2016 is as follows:

	<u>Estimated life in years</u>	<u>December 31,</u>	
		<u>2017</u>	<u>2016</u>
Land	---	\$ 137,600	\$ 112,600
Construction in Progress	---	318,821	---
Buildings	15-39	695,970	695,970
Vehicles (Ambulances)	5	1,240,831	1,232,339
Furniture and Equipment			
Furniture and Fixtures	5-8	210,005	190,572
Medical Equipment	5-8	924,230	894,580
Communication Equipment	5-8	134,191	121,846
Other Equipment	5-8	<u>146,460</u>	<u>133,552</u>
		3,808,108	3,381,459
Accumulated Depreciation		<u>2,167,484</u>	<u>1,805,686</u>
		<u>\$1,640,624</u>	<u>\$1,575,773</u>

Depreciation expense charged to operations for the years ended December 31, 2017 and 2016 were \$361,798 and \$324,051 respectively.

**AMBULANCE SERVICE DISTRICT NO. 1  
OF LAFOURCHE PARISH**

**NOTES TO FINANCIAL STATEMENTS  
(continued)**

**NOTE C**

**CAPITAL ASSETS**

**PROPERTY, PLANT AND EQUIPMENT (continued)**

The following changes occurred in the property and equipment account:

	Balance December 31 <u>2016</u>	<u>Additions</u>	<u>Deletions</u>	Balance December 31 <u>2017</u>
<u>Capital Assets Not Being Depreciated</u>				
Land	\$ 112,600	\$ 25,000	---	\$ 137,600
Construction in Progress	---	<u>318,821</u>	\$ ---	<u>\$ 318,821</u>
Total Assets Not Being Depreciated	<u>112,600</u>	<u>343,821</u>	---	<u>456,421</u>
 Capital Assets, Being Depreciated:				
Buildings	\$ 695,970	\$	\$ ---	\$ 695,970
Vehicles (Ambulances)	1,232,339	8,492	---	1,240,831
Furniture and Equipment	190,572	19,433	---	210,005
Medical Equipment	894,580	29,650	---	924,230
Communication Equipment	121,846	12,345	---	134,191
Other Equipment	<u>133,552</u>	<u>12,908</u>	---	<u>146,460</u>
Total Capital Assets Being Depreciated	<u>\$ 3,268,859</u>	<u>82,828</u>	---	<u>\$3,351,687</u>
 Less Accumulated Depreciation For:				
Buildings	\$ 345,172	\$ 21,608	\$ ---	366,780
Vehicles (Ambulances)	509,319	217,695	---	727,014
Furniture and Equipment	166,748	9,476	---	176,224
Medical Equipment	577,037	102,516	---	679,553
Communication Equipment	113,981	3,260	---	117,241
Other Equipment	<u>93,429</u>	<u>7,243</u>	---	<u>100,672</u>
Total Accumulated Depreciation	<u>1,805,686</u>	<u>361,798</u>	---	<u>2,167,484</u>
 Total Capital Assets Being Depreciated, Net	<u>1,463,173</u>	<u>( 278,970)</u>	---	<u>1,184,203</u>
Total Capital Assets, Net	<u>\$ 1,575,773</u>	<u>\$ 64,851</u>	\$ ---	<u>\$ 1,640,624</u>

**AMBULANCE SERVICE DISTRICT NO. 1  
OF LAFOURCHE PARISH**

**NOTES TO FINANCIAL STATEMENTS  
(continued)**

**NOTE C**

**CAPITAL ASSETS  
PROPERTY, PLANT AND EQUIPMENT (continued)**

The following changes occurred in the property and equipment account:

	Balance December 31 <u>2015</u>	<u>Additions</u>	<u>Deletions</u>	Balance December 31 <u>2016</u>
<u>Capital Assets Not Being Depreciated</u>				
Land	\$ 112,600	\$ ---	\$ ---	\$ 112,600
Total Assets Not Being Depreciated	<u>112,600</u>	<u>---</u>	<u>---</u>	<u>112,600</u>
Capital Assets, Being Depreciated:				
Buildings	\$ 710,790	\$ 12,413	\$ 27,233	\$ 695,970
Vehicles (Ambulances)	884,979	515,631	168,271	1,232,339
Furniture and Equipment	188,874	1,698	---	190,572
Medical Equipment	890,096	52,110	47,626	894,580
Communication Equipment	117,715	4,131	---	121,846
Other Equipment	<u>118,787</u>	<u>14,765</u>	<u>---</u>	<u>133,552</u>
Total Capital Assets Being Depreciated	<u>\$ 2,911,241</u>	<u>600,748</u>	<u>243,130</u>	<u>\$3,268,859</u>
Less Accumulated Depreciation For:				
Buildings	\$ 334,420	\$ 24,371	\$ 13,619	345,172
Vehicles (Ambulances)	467,135	185,565	143,381	509,319
Furniture and Equipment	158,099	8,649	---	166,748
Medical Equipment	526,564	98,099	47,626	577,037
Communication Equipment	111,276	2,705	---	113,981
Other Equipment	<u>88,767</u>	<u>4,662</u>	<u>---</u>	<u>93,429</u>
Total Accumulated Depreciation	<u>1,686,261</u>	<u>324,051</u>	<u>204,626</u>	<u>1,805,686</u>
Total Capital Assets Being Depreciated, Net	<u>1,224,980</u>	<u>276,697</u>	<u>38,504</u>	<u>1,463,173</u>
Total Capital Assets, Net	<u>\$ 1,337,580</u>	<u>\$ 276,697</u>	<u>\$ 38,504</u>	<u>\$ 1,575,773</u>

**AMBULANCE SERVICE DISTRICT NO. 1  
OF LAFOURCHE PARISH**

**NOTES TO FINANCIAL STATEMENTS**  
(Continued)

**NOTE D**

**PENSION PLAN**

During 1991 the district established a plan under Section 408K of the Internal Revenue Code. Employees are automatically enrolled in the SEP (Small Employer Pension) or 408 (k) type plan after three (3) years of continuous full-time service. Lafourche Ambulance District's contribution rate will be set by the Board of Commissioners annually. The rate will be based on the employees gross earnings. The employee is allowed to contribute an amount up to, but not to exceed, fifteen (15%) percent of his/her gross earnings when combined with the employer's contribution. Employee contributions are allowed after one year of full-time service. Employees are 100% vested at the time of their enrollment. The plan does not issue a stand-alone report.

**SPECIFIC PROVISIONS**

1. Full-time employees are eligible upon completion of three (3) years of uninterrupted service. Leave of absence or other non-paid leave does not count toward accumulation of seniority.
2. Employee contributions will be calculated on a percentage of the employee's gross earnings on a pre-taxed basis.
3. Contributions will begin the month following the employee's third anniversary date.
4. Other regulations governing options such as premature withdrawals and changes in contribution rates, etc. are specified in the original contract.
5. The employer's contribution rate was five (5) percent of gross wages of qualifying employees for 2017, 2016 and 2015.
6. Other than its contribution made to the participants' accounts and recorded as expenditures, the district does not guarantee benefits under the plan.
7. All amounts are maintained in each individual's account administered by an insurance company.

The total payroll for the year 2017 was \$1,823,423 of which \$1,560,140 was covered by the plan. For 2017, the district's contribution was \$78,007 (5% of covered payroll). Employee contributions to the plan amounted to \$61,433 for 2017.

The total payroll for the year 2016 was \$1,711,483 of which \$1,399,140 was covered by the plan. For 2016, the district's contribution was \$69,957 (5% of covered payroll). Employee contributions to the plan amounted to \$56,296 for 2016.

The total payroll for the year 2015 was \$1,663,815 of which \$1,327,040 was covered by the plan. For 2015, the district's contribution was \$66,352 (5% of covered payroll). Employee contributions to the plan amounted to \$60,311 for 2015.

**AMBULANCE SERVICE DISTRICT NO. 1  
OF LAFOURCHE PARISH**

**NOTES TO FINANCIAL STATEMENTS**

(Continued)

**NOTE E**

**COOPERATIVE ENDEAVOR AGREEMENTS**

During the year the Ambulance District was party to a Cooperative Endeavor Agreement with Fire Protection District No. 3 of Lafourche Parish. The Fire District provides communication services, including dispatching of calls, on a twenty-four hour a day basis, seven days a week for the Ambulance District at a fee of \$3,817 per month for the first two months and then \$4,008 for the last ten months of the year.

The Ambulance District was party to a Cooperative Endeavor Agreement with the Tenth Ward Veterans Memorial District to provide professional services to staff the Veterans District with drivers along with supervision and appropriate liability coverage for these drivers. The Veterans District reimburses the Ambulance District for all cost associated with providing this service including wages, payroll taxes, disability insurance, health insurance and any other cost plus an administrative fee of \$500 per month.

**NOTE F**

**POST EMPLOYMENT BENEFITS**

The Ambulance District has no Post Employment Benefits.

**NOTE G**

**PER DIEM PAID BOARD MEMBERS**

Per diem payments are presented on Schedule I

No per diem was paid to members of the Board of Commissioners for the year ended December 31, 2017 and December 31, 2016.

**NOTE H**

**BUSINESS AND CREDIT CONCENTRATIONS**

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

**AMBULANCE SERVICE DISTRICT NO. 1  
OF LAFOURCHE PARISH**

**NOTES TO FINANCIAL STATEMENTS  
(Continued)**

**NOTE I**

**CONTINGENCIES AND RISK MANAGEMENT**

LITIGATION

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

RISK MANAGEMENT

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

LAWS AND REGULATIONS

The healthcare industry is subject to numerous laws and regulations of federal, state, and local governments; compliance with such laws and regulations can be subject to future government review and interpretation, as well as regulatory actions unknown or unasserted at this time. These laws and regulations include, but are not limited to, accreditation, licensure, government healthcare program participation requirements, reimbursement for patient services, and Medicare and Medicare fraud and abuse. Recently, government activity has increased with respect to investigations and allegations concerning possible violations of fraud and abuse statutes and regulations by healthcare providers. Violations of these laws and regulations could result in exclusion from government healthcare program participation, together with the imposition of significant fines and penalties, as well as significant repayment for past reimbursement for patient services received. While the District is subject to similar regulatory reviews, management believes the District is not the subject of any investigation at this time, and the outcome of any such regulatory review will not have a material adverse effect on the District's financial position.

**NOTE J**

**CAPITALIZED INTEREST**

For the years ended December 31, 2017 and 2016 the district had \$0 interest to capitalize.

**NOTE K**

**SUBSEQUENT EVENTS**

Management has evaluated subsequent events through the date that the financial statements were available to be issued, June 7, 2018, and determined that no events occurred that required disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

**AMBULANCE SERVICE DISTRICT NO. 1  
OF LAFOURCHE PARISH**

**NOTES TO FINANCIAL STATEMENTS  
(Continued)**

**NOTE L**

**NET PATIENT SERVICE REVENUE AND RECEIVABLES**

Presented below is a summary of net patient service revenues and receivables for the years ended December 31, 2017 and 2016.

	<u>2017</u>	<u>2016</u>
Gross Patient Service Revenue	\$ 2,914,705	\$ 2,789,268
Less: Provision for Bad Debts	<u>940,947</u>	<u>1,165,606</u>
Net Patient Service Revenue	<u>\$ 1,973,758</u>	<u>\$ 1,623,662</u>
	<u>2017</u>	<u>2016</u>
Patient Accounts Receivables	\$ 555,386	\$ 757,656
Less Allowance for Doubtful Accounts	<u>308,328</u>	<u>519,421</u>
Net Patient Accounts Receivables	<u>\$ 247,058</u>	<u>\$ 238,235</u>

**NOTE M**

**FAIR VALUE MEASUREMENTS**

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

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

**AMBULANCE SERVICE DISTRICT NO. 1  
OF LAFOURCHE PARISH**

**NOTES TO FINANCIAL STATEMENTS  
(Continued)**

**NOTE M**

**FAIR VALUE MEASUREMENTS (continued)**

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

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

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

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

Long-term debt (Capital Leases) – the carrying amount is estimated using discounted cash flow analyses, based on the district's current incremental borrowing rate.

**NOTE N**

**RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS**

In July 2011, the FASB issued ASU 2011-07, Health Care entities (Topic 954) Presentation and Disclosure of Patient Service Revenue, Provision for Bad Debts, and the Allowance for Doubtful Accounts for Certain Health Care Entities. The amendments to the codification will require certain health care entities to change the presentation of their statement of operations by reclassifying the provision for bad debts associated with patient service revenue from an operating expense to a deduction from patient service revenue (net of contractual allowances and discounts). Additionally, those health care entities will be required to provide enhanced disclosure about their policies for recognizing service revenue (net of contractual allowance and discounts) as well as qualitative and quantitative information about changes in the allowance for doubtful accounts. The district was subject to and adopted these amendments for the year ending December 31, 2012. The amendments have been applied retrospectively for all prior periods presented at that time.

**AMBULANCE SERVICE DISTRICT NO. 1  
OF LAFOURCHE PARISH**

**NOTES TO FINANCIAL STATEMENTS**  
(Continued)

**NOTE N (continued)**

In December 2010, the GASB issued Statement 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. GASB 62 incorporates into the GASB's authoritative literature certain accounting and financial reporting guidance that is included in the following pronouncements issued on or before November 30, 1989, which does not conflict with or contradict GASB pronouncements; Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins of the American Institute of Certified Public Accountants' (AICPA) Committee on Accounting Procedure. This statement is effective for periods beginning after December 15, 2011. The adoption of GASB 62 does not have any impact on the District's financial statements.

In June 2011, the GASB issued Statement 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. GASB 63 provides guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position and related disclosures. The statement of net assets is renamed the statement of net position and includes four components; assets, deferred outflows of resources, liabilities and deferred inflows of resources. This statement is effective for periods beginning after December 15, 2011. The district was subject to and adopted GASB Statement No. 63 for the year ending December 31, 2012. The statement was applied retrospectively for all prior periods presented at that time. Statement No. 63 changes the statement of financial position term "net assets" to "net position".

In March 2012, the GASB issued Statement 65, *Items Previously Reported as Assets and Liabilities*. GASB 65 properly classifies and recognizes certain items that were previously reported as assets and liabilities as deferred outflows of resources or deferred inflows of resources. The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2012. The adoption of GASB 65 does not have any impact on the District's financial statements.

The GASB issued Statement No. 66, *Technical Corrections – 2012* in March 2012. The objective of this Statement is to improve accounting and financial reporting for a governmental financial reporting entity by resolving conflicting guidance that resulted from the issuance of two pronouncements, Statements No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, and No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. The provisions of this Statement are effective for 2013. There was no impact to the District with the implementation of this statement.

**AMBULANCE SERVICE DISTRICT NO. 1  
OF LAFOURCHE PARISH**

**NOTES TO FINANCIAL STATEMENTS**

(Continued)

**NOTE N (continued)**

Statement No.72, "*Fair Value Measurement and Application.*" This Statement addresses accounting and financial reporting issues related to fair value measurement. The definition of fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements.

Statement No. 73, "*Accounting and Financial Reporting for Pensions and Related Assets that are not within the scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68.*" The Statement completes the suite of pension standards and establishes requirements for those pensions and pension plans that are not administered through a trust meeting specified criteria (in other words, those not covered by Statements 67 and 68). This Statement did not affect the District's financial statements.

Statement No.76, "*The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments.*" The objective of this Statement is to identify the hierarchy of generally accepted accounting principles (GAAP).

Statement No 77, "*Tax Abatement Disclosures*" defines tax abatements as reduction in tax revenues that results from an agreement between one or more governments and an individual or entity in which (a) one or more governments promise to forgo tax revenues to which they are otherwise entitled and (b) the individual or entity promises to take a specific action after the agreement has been entered into that contributes to economic development or otherwise benefits the governments or the citizens of those governments. This Statement requires disclosures of the government's own tax abatement agreements and those tax abatement agreements of other governments that reduce the government's revenue. This Statement did not affect the District's financial statements.

**AMBULANCE SERVICE DISTRICT NO. 1  
OF LAFOURCHE PARISH**

**NOTES TO FINANCIAL STATEMENTS**

(Continued)

**NOTE N (continued)**

Statement No.78, "*Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*" amends the scope and applicability of Statement 68 to exclude pensions provided to employees of state or local governmental employers through a cost-sharing multiple-employer defined benefit pension plan that (1) is not a state or local governmental pension plan, (2) is used to provide defined benefit pensions both to employees of state or local governmental employers and to employees of employers that are not state or local governmental employers, and (3) has no predominant state or local governmental employer (either individually or collectively with other state or local governmental employers that provide pensions through the pension plan). This Statement establishes requirements for recognition and measurement of pension expense, expenditures, and liabilities; note disclosures; and required supplementary information for pensions that have the characteristics described above. This Statement did not affect the District's financial statements.

Statement No.79, "*Certain External Investment Pools and Pool Participants*" establishes accounting and financial reporting standards for qualifying external investment pools that elect to measure for financial reporting purposes all of their investments at amortized cost. This Statement also establishes accounting and financial reporting standards for state and local governments that participate in a qualifying external investment pool that measures for financial reporting purposes all of its investments at amortized cost. The provisions in paragraphs 18, 19, 23-26 and 40 are effective for periods beginning after December 15, 2015. This Statement did not affect the District's financial statements.

Statement No.74, "*Financial Reporting for Postemployment Benefit Plans other than Pension Plans.*" The Statement addresses the financial reports of defined benefit OPEB plans that are administered through trusts that meet specified criteria and follows the framework for financial reporting of defined benefit OPEB plans in Statement 45 by requiring a statement of fiduciary net position and a statement of changes in fiduciary net position. The Statement requires more extensive note disclosures and RSI related to the measurement of the OPEB liabilities for which assets have been accumulated, including information about the annual money-weighted rates of return on plan investments and also sets forth note disclosure requirements for defined contribution OPEB plans. The statement will be effective for periods beginning after June 15, 2016. This statement did not affect the District's financial statements.

**AMBULANCE SERVICE DISTRICT NO. 1  
OF LAFOURCHE PARISH**

**NOTES TO FINANCIAL STATEMENTS**  
(Continued)

**NOTE N** (continued)

Statement No.75, “*Accounting and Financial Reporting by Employers for Postemployment Benefits other than Pensions.*” Replaces the requirements of GASB Statement No.45. This Statement requires governments to report a liability on the face of the financial statements for the OPEB that they provide: governments that are responsible only for OPEB liabilities related to their own employees and that provide OPEB through a defined benefit OPEB plan administered through a trust that meets specified criteria will report a net OPEB liability, governments that participate in a cost-sharing OPEB plan that is administered through a trust that meets the specified criteria will report a liability equal to their proportionate share of the collective OPEB liability for all entities participating in the cost-sharing plan and governments that do not provide OPEB through a trust that meets specified criteria will report the total OPEB liability related to their employees. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2017. Management has not yet determined the effect of this Statement on the financial statements.

Statement No.80, “*Blending Requirement for Certain Component Units*” improves financial reporting by clarifying the financial statement presentation requirements for certain component units. The additional criterion requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. This requirement enhances comparability and decision usefulness of financial statements among governments. The requirements of this Statement are effective for reporting periods beginning after June 15, 2016. This statement did not affect the District’s financial statement.

Statement No.81, “*Irrevocable Split Interest Agreements*” provided recognition and measurement guidance for situation in which a government is a beneficiary of an irrevocable split interest agreement. This Statement requires that a government that receives resources pursuant to an irrevocable split interest agreement recognize assets, liabilities and deferred inflows of resources at the inception of the agreement. Furthermore, this Statement requires that a government recognize assets representing its beneficial interests in agreements administered by third parties. Governments are required by this Statement to recognize revenue when the resources become applicable to the reporting period. This Statement enhances comparability and decision usefulness of financial statements among governments. The requirements of this statement are effective for financial statements for periods beginning after December 15, 2016. This statement did not affect the District’s financial statement.

**AMBULANCE SERVICE DISTRICT NO. 1  
OF LAFOURCHE PARISH**

**NOTES TO FINANCIAL STATEMENTS**  
(Continued)

**NOTE N (continued)**

Statement No.82, "*Pension Issues*" addresses several issues raised with respect to Statements No.67, "*Financial Reporting for Pension Plans*," No.68, "*Accounting and Financial Reporting for Pensions*," and No.73, "*Accounting and Financial Reporting for Pensions and Related Assets that are Not within the Scope of GASB Statement 68, and Amendments to Certain Provision of GASB Statements 67 and 68.*" Specifically, 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 requirements of this Statement are effective for financial statements for periods beginning after June 15, 2016. This statement did not affect the District's financial statement.

Statement No.83, "*Certain Asset Retirement Obligations*" addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement. This Statement establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for AROs. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. Management has not yet determined the effect of this Statement on the financial statements.

Statement No.84, "*Fiduciary Activities*" improves guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. An activity meeting the criteria should be reported in a fiduciary fund in the basic financial statements. This Statement also provides for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. Management has not yet determined the effect of this Statement on the financial statements.

**AMBULANCE SERVICE DISTRICT NO. 1  
OF LAFOURCHE PARISH**

**NOTES TO FINANCIAL STATEMENTS  
(Continued)**

Statement No. 85, “Omnibus 2017.” On March 20, 2017, GASB issued “Omnibus 2017” covering four main topics: blending component units; goodwill, fair value measurement and application; and postemployment benefits. “Omnibus 2017” is effective for fiscal years beginning after June 15, 2017. However, due to the nature of topic covered, GASB is allowing the option of early implementation for single topics.

Statement No. 86, “Certain Debt Extinguishment Issues” improves consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources – resources other than the proceeds of refunding debt – are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is decreased in substance. The requirements of this Statement are effective for reporting periods beginning after June 15, 2017. Earlier application is encouraged. Management has not yet determined the effect of this Statement on the financial statements.

Statement No. 87, “Leases” increases the usefulness of governments’ financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments’ leasing activities. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. Earlier application is encouraged. Management has not yet determined the effect of this Statement on the financial statements.

**NOTE O  
OPERATING LEASES**

The district entered into an operating lease for property located in Larose, Louisiana on November 9, 2015. The lease is on a month to month basis at a monthly rent of \$1,100.

The district entered into an operating lease on August 1, 2014 with the Greater Lafourche Port Commission for rooms located in its Multi Agency Emergency Operations Center. The monthly rent required by the lease is \$560. The lease is for a term of five years commencing August 1, 2014. The lessee (Ambulance District) may terminate the lease agreement at any time by providing thirty days prior written notice.

OTHER SUPPLEMENTARY INFORMATION

**AMBULANCE SERVICE DISTRICT NO. 1  
OF LAFOURCHE PARISH**

**SCHEDULE I  
SCHEDULE OF PER DIEMS PAID COMMISSIONERS  
For the year ended December 31, 2017**

Dean Savoie	\$ 0
Albert Guidry	0
Clarence Marts, Jr.	0
Mary Lee Bernard	0
Kip Plaisance	0
Jessy Martin	0
Hebert Melancon	0
Reggie Pitre	<u>0</u>
	<u>\$ 0</u>

**AMBULANCE SERVICE DISTRICT NO. 1  
OF LAFOURCHE PARISH**

**SCHEDULE II**

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

**For the year ended December 31, 2017**

Agency Head Name: Deborah G. Gautreaux

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 68,398
Benefits -- insurance	8,314
Benefits -- retirement	3,420
Benefits -- other	-
Car allowance	-
Vehicle provided by government	-
Per diem	-
Reimbursements -- mileage	164
Travel	-
Registration fees	-
Conference travel	-
Continuing professional education fees	-
Housing	-
Unvouchered expenses	-
Special meals	-

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

Board of Commissioners  
Ambulance Service District No. 1  
of Lafourche Parish

I have audited in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statements of the business-type activities and each major fund of **AMBULANCE SERVICE DISTRICT NO. 1 of LAFOURCHE PARISH**, component unit of Lafourche Parish, as of and for the years ended December 31, 2017 and 2016 and the related notes to the financial statements, which collectively comprise the Ambulance District's basic financial statements and have issued my report thereon dated June 7, 2018.

Internal Control Over Financial Reporting

In planning and performing my audits of the financial statements, I considered **AMBULANCE SERVICE DISTRICT NO. 1 of LAFOURCHE PARISH's** internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of **AMBULANCE SERVICE DISTRICT NO. 1 OF LAFOURCHE PARISH's** internal control. Accordingly, I do not express an opinion on the effectiveness of the **AMBULANCE SERVICE DISTRICT NO. 1 OF LAFOURCHE PARISH'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.

**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**

(continued)

Compliance and Other Matters

As part of obtaining reasonable assurance about whether **AMBULANCE SERVICE DISTRICT NO. 1 of LAFOURCHE PARISH's** financial statements are free from material misstatement, I 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 my audit and, accordingly, I do not express such an opinion. The results of my 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 my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Aldon G. Wahl, Jr.  
Certified Public Accountant

June 7, 2018

**AMBULANCE SERVICE DISTRICT NO. 1  
OF LAFOURCHE PARISH**

**SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE YEAR ENDED DECEMBER 31, 2017**

I have audited the financial statements of the business-type activities and each major fund of the Ambulance District No. 1 of Lafourche Parish as of and for the year ended December 31, 2017, and have issued my report thereon dated June 7, 2018. I conducted my 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. My audit of the financial statements as of December 31, 2017 resulted in an unqualified opinion.

**SECTION I – SUMMARY OF AUDITOR’S REPORTS**

A) Report on Internal Control and Compliance material to the Financial Statements:

Internal control:

Material Weakness – **NO**  
Significant Deficiencies - **NO**  
Other Conditions - **NO**

Compliance:

Noncompliance Material to the Financial Statements – **NO**

B) Federal Awards

The Ambulance District received no federal awards for the year ended December 31, 2017.

**SECTION II FINANCIAL STATEMENT FINDINGS**

**Not applicable.**

**SECTION III FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

Not applicable.

**SECTION IV MANAGEMENT LETTER**

A management letter was not issued in connection with the audit for the year ended December 31, 2017.

**AMBULANCE SERVICE DISTRICT NO. 1  
OF LAFOURCHE PARISH**

**SCHEDULE OF PRIOR YEAR FINDINGS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

**SECTION I – INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE  
FINANCIAL STATEMENTS**

There were none reported for the year ended December 31, 2016.

**SECTION II INTERNAL CONTROL AND COMPLIANCE MATERIAL TO  
FEDERAL AWARDS**

Ambulance Service District No. 1 did not receive federal awards during the year ended December 31, 2016.

**SECTION III MANAGEMENT LETTER**

A management letter was not issued in connection with the audit for the year ended December 31, 2016.

**AMBULANCE SERVICE DISTRICT NO. 1**

**MANAGEMENT'S CORRECTIVE ACTION PLAN  
FOR THE YEAR ENDED DECEMBER 31, 2017**

**SECTION I INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS**

No findings were reported which required response from management.

**SECTION II INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS**

Ambulance Service District No. 1 did not receive federal awards during the year ended December 31, 2017.

**SECTION III MANAGEMENT LETTER**

A management letter was not issued in connection with the audit for the year ended December 31, 2017.

**Ambulance Service District  
No. 1 of Lafourche Parish**

**Statewide Agreed Upon Procedures Report  
With Schedule of Findings and Management's Responses**

*As of and for the Year Ending  
December 31, 2017*

P.O. Box 965

LAROSE, LA 70373

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

To: Ambulance Service District  
No. 1 of Lafourche Parish  
and  
The Louisiana Legislative Auditor

We have performed the procedures enumerated below, which were agreed to by the Fire Protection District No. 3 and the Louisiana Legislative Auditor (LLA) on the control and compliance (*CIC*) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the year ended December 31, 2017. The Entity's management is responsible for those *CIC* areas identified in the SAUPs.

This agreed-upon procedures engagement was conducted 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 for which this report has been requested or for any other purpose.

The procedures and associated findings are described in the following schedule.

We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on those *CIC* areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

The purpose of this report is solely to describe the scope of testing performed on those *CIC* areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.



Aldon G. Wahl, Jr.  
Certified Public Accountant

Larose, Louisiana  
June 7, 2018

**Ambulance Service District  
No. 1 of Lafourche Parish  
Schedule of Procedures and Associated Findings of the  
Statewide Agreed-Upon Procedures  
For the Year Ended December 31, 2017**

The required procedures and our findings are as follows:

**Procedures performed on the written policies and procedures:**

1. Obtain the 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

**Performance:** Obtained and read the written policy for budgeting and found it to address all the functions listed above, even though the district is an enterprise fund and not required under state law to adopt a budget.

**Exceptions:** There were no exceptions noted.

**Management's response:** Not applicable.

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

**Performance:** Obtained and read the written policy for purchasing.

**Exceptions:** The policy did not contain a provision about the preparation and approval process of purchase requisitions and purchase orders.

**Management's response:** Management will consider adding these procedures to their existing purchasing policy.

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

**Performance:** Obtained and read the written policy for disbursements and found it to address all the functions listed above.

**Exceptions:** There were no exceptions noted.

**Management's response:** Not applicable.

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

**Performance:** Obtained and read the written policy for receipts and found it to address all the functions listed above.

**Exceptions:** There were no exceptions noted.

**Management's response:** Not applicable.

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

**Performance:** Obtained and read the written policy for payroll and personnel and found it to address all the functions listed above.

**Exceptions:** There were no exceptions noted.

**Management's response:** Not applicable.

**Ambulance Service District  
No. 1 of Lafourche Parish  
Schedule of Procedures and Associated Findings of the  
Statewide Agreed-Upon Procedures  
For the Year Ended December 31, 2017**

**Procedures performed on the written policies and procedures (continued):**

- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process
- Performance:** Obtained and read the written policy for contracting.  
**Exceptions:** Management's policy does not address legal review.  
**Management's response:** Management will consider updating its policy to address legal review.
- 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
- Performance:** Obtained and read the written policy for credit cards and found it to address all the functions listed above.  
**Exceptions:** There were no exceptions noted.  
**Management's response:** Not applicable.
- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers
- Performance:** Obtained and read the written policy for travel and expense reimbursement.  
**Exceptions:** There were no exceptions noted.  
**Management's response:** Not applicable.
- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.
- Performance:** Obtained and read the written policy for ethics.  
**Exceptions:** There were no exceptions noted.  
**Management's response:** Not applicable.
- j) **Debt Service**, including (1) debt issuance approval, (2) EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- Performance:** Inquired of management as to a debt service policy.  
**Exceptions:** Management confirmed there is no debt service policy.  
**Management's response:** Management will consider drafting a debt service policy. The district has no debt service.

**Ambulance Service District  
No. 1 of Lafourche Parish  
Schedule of Procedures and Associated Findings  
of the Statewide Agreed-Upon Procedures  
For the Year Ended December 31, 2017**

**Procedures performed on the Board of Commissioners:**

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.

**Performance:** Obtained and read the written minutes of board meetings.

**Exceptions:** There were no exceptions noted.

**Management's response:** Not applicable.

- 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).

**Performance:** Inspected meeting minutes for budget to actual comparisons.

**Exceptions:** The District is a proprietary fund-enterprise type fund and does not have a General Fund. Although a budget is adopted as per the Board's policies, the minutes did not reflect or note a comparison of budget to actual.

**Management's response:** The Board is considering changing the policy and presenting budget comparisons beginning in the next fiscal year.

- 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.

**Performance:** Inspected Board minutes for the fiscal year and noted non-budgetary financial information in the form of approvals of contract, and disbursements.

**Exceptions:** There were no exceptions noted.

**Management's response:** Not applicable.

**Procedures performed on the bank reconciliations:**

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

**Performance:** Obtained the listing of bank accounts from management, and received management's representation that it was complete.

**Exceptions:** There were no exceptions noted.

**Management's response:** Not applicable.

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). 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;

**Ambulance Service District  
No. 1 of Lafourche Parish  
Schedule of Procedures and Associated Findings  
of the Statewide Agreed-Upon Procedures  
For the Year Ended December 31, 2017**

**Procedures performed on the bank reconciliations (continued):**

**Performance:** Selected 3 bank accounts out of a total of 3 accounts. Inspected bank reconciliations prepared for each month.

**Exceptions:** There were no exceptions noted.

**Management's response:** Not applicable.

- 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

**Performance:** Inspected bank reconciliations (or statements for bank accounts that reconciliation were not prepared) for written approvals.

**Exceptions:** There was no documentation of written approval on the bank reconciliations by management.

**Management's response:** A new policy was enforced to provide written documentation of approval by management on the bank 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.

**Performance:** Inspected bank reconciliations for items outstanding for more than 6 months.

**Exceptions:** There was no documentation that items that have been outstanding for more than 6 months had been researched for reconciling.

**Management's response:** In the future, we will research the items and either re-issue or void as appropriate.

**Procedures performed on the collections:**

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

**Performance:** Obtained the listing of cash/check/money order (cash) collection locations from management, and received management's representation that it was complete.

**Exceptions:** There were no exceptions noted.

**Management's response:** Not applicable.

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). For each cash collection location selected:

- 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.

**Performance:** Inquired for the 1 cash collection location selected as to all of the requirements listed above.

**Exceptions:** There were no exceptions noted.

**Management's response:** Not applicable.

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**Procedures performed on the collections (continued):**

- 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.

**Performance:** Requested the written policies that outlined the reconciliation of cash collections and inquired of separation of duties.

**Exceptions:** There were no exceptions noted.

**Management's response:** Not applicable.

- c) Select the highest (dollar) week of cash collections from the general ledger or other accounting records during the fiscal period and:

J>- 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.

**Performance:** Traced collections from the highest dollar week of the cash collections to the deposit date on the corresponding bank statement noting number of days from receipt to deposit for each day at each collection location.

**Exceptions:** There were no exceptions noted.

**Management's response:** Not applicable.

J>- 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.

**Performance:** Inspected sequentially numbered receipts, the journal of cash receipts and deposit slips from the bank. Noted that all collections are supported by adequate documentation.

**Exceptions:** There were no exceptions noted.

**Management's response:** Not applicable.

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 by a person who is not responsible for collections.

**Performance:** Inspected the Policy Manual, and inquired of management as to separation of duties.

**Exceptions:** There were no exceptions noted.

**Management's response:** Not applicable.

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**Procedures performed on the disbursements:**

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.

**Performance:** Obtained the listing of disbursements, and received management's representation that it was complete.

**Exceptions:** There were no exceptions noted.

**Management's response:** Not applicable.

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.

**Performance:** Randomly selected 25 disbursements using a random number generator. Requested requisitions, purchase orders, and related invoices, as well as inquired of the client.

**Exceptions:** The District does not have a formal purchase requisition/purchase order system although purchase orders are used on certain purchases. Employees make verbal requests for purchases or purchases are made when need arises. Purchases are initiated by the administrator or operations manager and are approved by the administrator. Purchases over \$5,000 need to be approved by the Board before they can be completed.

**Management's response:** Management will consider using a formal, written purchase order/requisition system.

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

**Performance:** Inspected documentation and inquired of management as to purchase approval process.

**Exceptions:** The District lacks documentation of prior approvals for some purchases less than \$5,000. Purchases exceeding \$5,000 are approved by the Board as documented in the minutes of Board meetings.

**Management's response:** Management will consider using a formal, written purchase order/requisition system.

- c) Payments for purchases were not processed without 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.

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**Procedures performed on the disbursements (continued):**

**Performance:** Inspected invoices selected for required purchase orders and approval for payment.

**Exceptions:** As noted above the District does not have a formal purchase order system.

**Management's response:** Management will consider using a formal, written purchase order/requisition system.

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.

**Performance:** Obtained and inspected the written policies, and inquired of management as to separation of duties.

**Exceptions:** The policy manual does not address or prohibit the person responsible for processing payments from adding vendors to the system.

**Management's response:** Management will consider revising its policy.

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.

**Performance:** Inspected the written policies, and inquired of management as to whether the persons with signatory authority or who make the final authorization for disbursements have no responsibility for initiating or recording purchases. The district requires dual signatures on all checks.

**Exceptions:** The administrator has the ability to initiate purchases as well as sign checks. The administrative assistant has the ability to sign checks and record purchases.

**Management's response:** There is Board oversight of all purchases to mitigate the lack of segregation of duties. Prior board approval is required for items that exceed \$5,000.

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.

**Performance:** Inquired of management, as well as observed that all supplies of unused checks are maintained in a locked location.

**Exceptions:** The supply of unused checks are maintained in the Administrative Assistant's locked office. The Administrator is the only other person who has access to the Administrative Assistant's office. Both the Administrator and the Administrative Assistant have signature authority.

**Management's response:** Management will consider ways to mitigate the lack of segregation of duties. Dual signatures are required on all checks.

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**Procedures performed on the disbursements (continued):**

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.

**Performance:** Inquired of management of the details of signing checks and the control over them. No signature stamp or signature machine is used.

**Exceptions:** No exceptions were noted.

**Management's response:** Not applicable.

**Procedures performed on the 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.

**Performance:** Obtained a listing of all active credit cards including the above-mentioned information for each card, and received management's representation that it was complete.

**Exceptions:** There were no exceptions noted.

**Management's response:** Not applicable.

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.

**Performance:** Obtained all monthly statements for 1 of the total of 3 cards issued and observed for supporting documentation as well as approvals.

**Exceptions:** There were no exceptions noted.

**Management's response:** Not applicable.

- b) Report whether finance charges and/or late fees were assessed on the selected statements.

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**Procedures performed on the credit cards, debit cards, fuel cards, p-cards (continued):**

**Performance:** Reviewed all credit card statements for any late fees or finance charges.

**Exceptions:** There were no exceptions noted.

**Management's response:** Not applicable.

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

a) For each transaction, report whether the transaction is supported by:

l> An original itemized receipt (i.e., identifies precisely what was purchased)

**Performance:** Traced each transaction to an original itemized receipt.

**Exceptions:** There were no exceptions.

**Management's response:** Not applicable.

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

**Performance:** Observed documentation for the purpose of each transaction noting clear purpose as business/public. There were no transactions for meal charges.

**Exceptions:** There were no exceptions noted.

**Management's response:** Not applicable.

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

**Performance:** Observed written approvals of credit card transactions. Management reviews all transactions and then agrees to support before payment.

**Exceptions:** There were no exceptions noted.

**Management's response:** Not applicable.

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.

**Performance:** Compared transaction detail to the written policies and Louisiana Public Bid Law.

**Exceptions:** There were no exceptions noted.

**Management's response:** Not applicable.

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

**Performance:** Inspected all transactions for compliance with Article 7, Section 14 of the Louisiana Constitution.

**Exceptions:** There were no exceptions noted.

**Management's response:** Not applicable.

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**Procedures performed on the travel and expense reimbursements:**

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.

**Performance:** Obtained a listing of all travel and related expense reimbursements including the above-mentioned information, and received management's representation that it was complete.

**Exceptions:** There were no exceptions noted.

**Management's response:** Not applicable.

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](http://www.gsa.gov)) and report any amounts that exceed GSA rates.

**Performance:** Compared transaction detail to the written policies; and to the per diem and mileage rates established by the U.S. General Services Administration.

**Exceptions:** There was one exception noted. Management had not updated its mileage reimbursement rate, so its policy rate exceeded the GSA rate for the audit period.

**Management's response:** Management immediately corrected its policy to the current GSA mileage reimbursement rate and will keep it updated going forward.

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.

**Performance:** Selected the 3 employees with the most travel costs during the period and the highest travel expenditure reimburse for each. Compared documentation to the applicable rates listed above.

**Exceptions:** As noted above, the District had not updated its policy rate for mileage reimbursements. The rate used for the audit period exceeded the GSA rate for that period. The following exceptions were noted.

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**Procedures performed on the travel and expense reimbursements (continued):**

- 1) 4/15/17 mileage reimbursement 228 miles at 57 ½ cents per mile. GSA rate was 53 ½ cents per mile.
- 2) 6/8/17 mileage reimbursement 264 miles at 57 ½ cents per mile. GSA rate was 53 ½ cents per mile.
- 3) 6/27/17 mileage reimbursement 210 miles at 57 ½ cents per mile. GSA rate was 53 ½ cents per mile.

**Management's response:** Management immediately corrected its policy to the current GSA mileage requirement rate and will keep it updated going forward.

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.]

**Performance:** Traced each expense to the original itemized receipt with detail of reimbursement.

**Exceptions:** There were no exceptions noted.

**Management's response:** Not applicable.

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

**Performance:** Traced each expense to the original itemized receipt with detail of reimbursement.

**Exceptions:** There were no exceptions noted.

**Management's response:** Not applicable.

- ;; Other documentation as may be required by written policy (e.g., authorization for travel, conference brochure, certificate of attendance)

**Performance:** Traced each expense to the original itemized receipt with documentation for reimbursement.

**Exceptions:** There were no exceptions noted.

**Management's response:** Not applicable.

- 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). Report whether each expense and related documentation was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

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**Procedures performed on the travel and expense reimbursements (continued):**

**Performance:** Inspected all transactions for compliance with Article 7, Section 14 of the Louisiana Constitution.

**Exceptions:** There were no exceptions noted.

**Management's response:** Not applicable.

- d) Report whether each expense and related documentation was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

**Performance:** Inspected all transactions for documentation of review and approval in writing other than the person receiving the reimbursement.

**Exceptions:** It was noted that the Administrator approves travel expenditures for all travel and training expenses. There was one instance where the Administrator approved an expense reimbursement that included travel and training for the Administrator's travel.

**Management's response:** Management will consider having the Board approve any travel and training expenses for the Administrator.

**Procedures performed on 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.

**Performance:** Obtained a listing of all contracts, and received management's representation that it was complete.

**Exceptions:** There were no exceptions noted.

**Management's response:** Not applicable.

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.

**Performance:** Obtained a copy and reviewed 5 of the 7 contracts in effect for the fiscal year.

**Exceptions:** There were no exceptions noted.

**Management's response:** Not applicable.

- 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:

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**Procedures performed on contracts (continued):**

l> 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)

**Performance:** Compared 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. One contract to build a station was subject to the bid law.

**Exceptions:** There were no exceptions noted.

**Management's response:** Not applicable.

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

**Performance:** Compared each contract's detail noting whether the entity solicited quotes as a best practice.

**Exceptions:** There were no exceptions noted.

**Management's response:** Not applicable.

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.

**Performance:** Inspected contract and inquired of management whether the contract was amended. None of the contracts were amended during the year.

**Exceptions:** There were no exceptions noted.

**Management's response:** Not applicable.

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.

**Performance:** Inspected contract to agree to the actual expenditure.

**Exceptions:** There were no exceptions noted.

**Management's response:** Not applicable.

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. Lawrson Act or Home Rule Charter).

**Performance:** Observed approval of contract in board minutes.

**Exceptions:** There were no exceptions noted.

**Management's response:** Not applicable.

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.

**Performance:** Obtained a listing of employees with their related salaries, and received management's representation that it was complete.

**Exceptions:** There were no exceptions noted.

**Management's response:** Not applicable.

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**Procedures performed on payroll and personnel:**

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.

**Performance:** Compared compensation from the district's pay scale with payments made to employees during the fiscal year.

**Exceptions:** There were no exceptions noted.

**Management's response:** Not applicable.

- 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.

**Performance:** Observed the written policy and pay scales and changes and traced all salary adjustments approved in writing as per the policy.

**Exceptions:** There were no exceptions noted.

**Management's response:** Not applicable.

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).

**Performance:** Randomly selected one pay period to test leave taken during that period. Inspected 25 daily attendance and leave records for proper documentation.

**Exceptions:** There were no exceptions noted.

**Management's response:** Not applicable.

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

**Performance:** Reviewed documentation of daily attendance and leave records for proper approval.

**Exceptions:** There were no exceptions noted.

**Management's response:** Not applicable.

- 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.

**Performance:** Reviewed documentation of daily attendance and leave records each employee eligible for leave.

**Exceptions:** There were no exceptions noted.

**Management's response:** Not applicable.

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**Procedures performed on payroll and personnel (continued):**

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.

**Performance:** Obtained list of terminated employees during the fiscal period and management's representation that the list is complete. There was only one terminated employee. We traced the termination payments to their personnel files to determine if payments were made in strict accordance with the written policies.

**Exceptions:** There were no exceptions noted.

**Management's response:** Not applicable.

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.

**Performance:** Reviewed payroll and retirement forms filed along with cancelled checks and EFT documentation for the fiscal year to determine if all forms were submitted to the proper agencies by the required deadlines.

**Exceptions:** There were no exceptions noted.

**Management's response:** Not applicable.

**Procedures performed on\_ ethics:**

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.

**Performance:** Obtained and inspected ethics certificates for the 5 employees selected.

**Exceptions:** There were no exceptions noted.

**Management's response:** Not applicable.

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.

**Performance:** Inquired of management whether any alleged ethics violations were reported during the fiscal year and management's representation.

**Exceptions:** There were no exceptions noted.

**Management's response:** Not applicable.

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**Procedures performed on debt service:**

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

**Performance:** No debt was issued during the fiscal year.

**Exceptions:** Not applicable.

**Management's response:** Not applicable.

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.

**Performance:** Not applicable. The District had no debt outstanding during the fiscal year.

**Exceptions:** Not applicable.

**Management's response:** Not applicable.

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.

**Performance:** Not applicable.

**Exceptions:** Not applicable.

**Management's response:** Not applicable.

**Other Procedures performed:**

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.

**Performance:** Inquired of management whether any misappropriations of public funds or assets during the fiscal year and management's representation.

**Exceptions:** There were no exceptions noted.

**Management's response:** Not applicable.

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.la.gov/hotline](http://www.la.la.gov/hotline)) concerns the reporting of misappropriation, fraud, waste, or abuse of public funds.

**Performance:** Inquired of management and observed such notice posted as required.

**Exceptions:** There were no exceptions noted.

**Management's response:** Not applicable.

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**Other Procedures performed (continued):**

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

**Performance:** Inspected all procedures, and the results of such procedures and compared them to management's representation.

**Exceptions:** There were no exceptions noted.

**Management's response:** Not applicable.