

**Bossier Parish Emergency Medical Service District
Bossier City, Louisiana**

Financial Statements With Auditor's Report

As of and For the Year Ended December 31, 2019

Bossier Parish Emergency Medical Service District
Bossier City, Louisiana

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Independent Auditors' Report

To the Members of the
Board of Commissioners
Bossier Parish Emergency Medical Service District
Bossier City, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and major fund of Bossier Parish Emergency Medical Service District, a component unit of the Bossier Parish Police Jury, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the Bossier Parish Emergency Medical Service District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and major fund of the Bossier Parish Emergency Medical Service District as of December 31, 2019, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

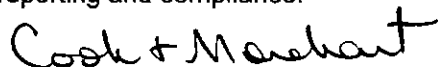
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 – 8, budgetary comparison information on pages 32 – 33, the Schedule of Proportionate Share of Net Pension Liability on page 34, and the Schedule of Contributions on page 35, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Bossier Parish Emergency Medical Service District's basic financial statements. The accompanying other supplementary information listed in the table of contents as Schedule of Compensation, Benefits, and Other Payments to Agency Head and shown on pages 36 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is 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*, we have also issued our report dated June 25, 2020, on our consideration of Bossier Parish Emergency Medical Service District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Bossier Parish Emergency Medical Service District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Bossier Parish Emergency Medical Service District's internal control over financial reporting and compliance.



Cook & Morehart
Certified Public Accountants
June 25, 2020

BOSSIER PARISH EMERGENCY MEDICAL SERVICES DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of Bossier Parish Emergency Medical Services District's financial performance provides an overview of the Bossier Parish Emergency Medical Services District's financial activities for the fiscal year ended December 31, 2019. Please read it in conjunction with the District's financial statements, which begin on page 9.

FINANCIAL HIGHLIGHTS

The Bossier Parish Emergency Medical Services District's net position increased by \$456,220 or 5%.

The Bossier Parish Emergency Medical Services District's total general and program revenues were \$4,985,293 in 2019 compared to \$4,682,874 in 2018.

During the year ended December 31, 2019, the Bossier Parish Emergency Medical Services District had total expenses, excluding depreciation, of \$4,135,182 compared to \$3,819,653 in 2018.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (on pages 9 and 10) provide information about the activities of the Bossier Parish Emergency Medical Services District as a whole and present a longer-term view of the District's finances. Fund financial statements start on page 11. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the Bossier Parish Emergency Medical Services District's operations in more detail than the government-wide statements by providing information about the Bossier Parish Emergency Medical Services District's most significant funds.

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

Reporting the Bossier Parish Emergency Medical Services District as a Whole

Our analysis of the Bossier Parish Emergency Medical Services District as a whole begins on page 9. One of the most important questions asked about the Bossier Parish Emergency Medical Services District's finances is "Is the Bossier Parish Emergency Medical Services District as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the funds maintained by the Bossier Parish Emergency Medical Services District as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the *accrual basis of accounting*, which is similar to the accounting used by most private-sector companies. Accrual of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the Bossier Parish Emergency Medical Services District's *net position* and changes in them. You can think of the Bossier Parish Emergency Medical Services District's net position – the difference between assets and liabilities – as one way to measure the Bossier Parish Emergency Medical Services District's financial health, or *financial position*. Over time, *increases* or *decreases* in the Bossier Parish Emergency Medical Services District's net position are one indicator of whether its *financial health* is improving or deteriorating. You will need to consider other non-financial factors, however, such as changes in the District's property tax base, to assess the overall health of the District.

In the Statement of Net Position and the Statement of Activities, we record the funds maintained by the Bossier Parish Emergency Medical Services District as governmental activities:

Governmental activities – all of the expenses paid from the funds maintained by the Bossier Parish Emergency Medical Services District are reported here which consists primarily of personal services, materials and supplies, travel, repairs and maintenance and other program services. Ambulance fees, assessment–user fee, and sales taxes finance most of these activities.

Reporting the District's Most Significant Funds

Our analysis of the major funds maintained by the Bossier Parish Emergency Medical Services District begins on page 11. The fund financial statements begin on page 11 and provide detailed information about the most significant funds maintained by the Bossier Parish Emergency Medical Services District – not the Bossier Parish Emergency Medical Services District as a whole. The Bossier Parish Emergency Medical Services District's *governmental funds* use the following accounting approaches:

Governmental funds – All of the Bossier Parish Emergency Medical Services District's basic services are reported in governmental funds, which focus on how money flows into

and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed *short-term view* of the Bossier Parish Emergency Medical Services District's general government operations and the expenses paid from those funds. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance certain Bossier Parish Emergency Medical Services District expenses. We describe the relationship (or differences) between governmental *activities* (reported in the Statement of Net Assets and the Statement of Activities) and governmental *funds* in a reconciliation at the bottom of the fund financial statements.

THE BOSSIER PARISH EMERGENCY MEDICAL SERVICES DISTRICT AS A WHOLE

The Bossier Parish Emergency Medical Services District's total net position changed from a year ago, increasing from \$8,633,940 to \$9,090,160. Our analysis below will focus on key elements of the total governmental funds for the December 31, 2018 and 2019 years.

**Table 1
Net Position**

	<u>Governmental Activities</u>	
	<u>2019</u>	<u>2018</u>
Current and other assets	\$ 7,634,266	\$ 7,371,040
Capital assets	<u>2,874,567</u>	<u>2,614,540</u>
Total assets	<u>10,508,833</u>	<u>9,985,580</u>
Deferred Outflows of Resources	<u>1,244,218</u>	<u>497,005</u>
Current liabilities	239,101	179,040
Long-term liabilities	<u>1,387,347</u>	<u>94,018</u>
Total liabilities	<u>1,626,448</u>	<u>273,058</u>
Deferred Inflows of Resources	<u>1,036,443</u>	<u>1,575,587</u>
Net position:		
Investments in capital assets, net of related debt	2,874,567	2,614,540
Unrestricted	<u>6,215,593</u>	<u>6,019,400</u>
Total net position	<u>\$ 9,090,160</u>	<u>\$ 8,633,940</u>

Net position of the Bossier Parish Emergency Medical Services District's governmental activities increased by \$456,220 or 5%.

Table 2
Change in Net Position

	Governmental Activities	
	2019	2018
Revenues		
Program Revenues		
Charges for services - ambulance fees	\$ 2,224,890	\$ 2,079,346
Operating grants and contributions	23,886	21,904
General Revenues		
Assessment user fee	897,867	877,128
Sales taxes	1,697,721	1,629,501
Interest income	126,282	60,766
Gain on sale of asset	11,308	
Miscellaneous	3,339	14,229
Total revenues	<u>4,985,293</u>	<u>4,682,874</u>
Expenses		
Public safety		
emergency medical services	<u>4,529,073</u>	<u>4,263,486</u>
Increases in net position	<u>\$ 456,220</u>	<u>\$ 419,388</u>

Total revenues increased \$302,419 (6%) from total revenues in the year ended December 31, 2018 of \$4,682,874 to total revenues of \$4,985,293 in the year ended December 31, 2019. This is primarily due to increased collections from ambulance fees and interest and dividends.

THE DISTRICT'S FUNDS

As the District completed the year, its governmental funds (as presented in the balance sheet on page 11) reported a *combined* fund balance of \$6,291,160, which is more than last year's fund balance, \$5,852,415.

General Fund Budgetary Highlights

The District adopted a budget for its General Fund for the year ended December 31, 2019. There was one amendment to the budget during the year. The District's budgetary comparison is presented as required supplementary information and shown on page 32. Highlights for the year are as follows:

- Revenues were higher than budgeted amounts due to higher than anticipated sales taxes, DHH supplemental payments, and interest and dividends received in 2019.
- Expenditures were under budgeted amounts due to budgeted capital outlay funds not being fully expended.

The District's General Fund fund balance of \$6,291,160 reported on page 12 differs from the General Fund's *budgetary* fund balance of \$5,707,659 reported in the budgetary comparison schedule on page 32. This is primarily due to the District budgeting on the cash basis of accounting.

CAPITAL ASSETS

At the end of December 31, 2019 and 2018, the Bossier Parish Emergency Medical Services District had invested \$2,874,567 and \$2,614,540, respectively, in capital assets. (see table 3 below)

Table 3
Capital Assets At Year End
(Net of Depreciation)

	<u>Governmental Activities</u>	
	<u>2019</u>	<u>2018</u>
Land	\$ 12,000	\$ 12,000
Construction in progress	597,691	44,000
Buildings	1,384,659	1,465,405
Medical equipment	225,193	305,626
Training equipment	43,737	61,005
Communications equipment	176	176
Vehicles	<u>611,111</u>	<u>726,328</u>
Total	<u>\$ 2,874,567</u>	<u>\$ 2,614,540</u>

Major additions for each year included the following:

Construction in progress	\$ 553,691	\$ 44,000
Medical equipment		220,174
Vehicles	<u>113,919</u>	<u>199,916</u>
Total	<u>\$ 667,610</u>	<u>\$ 464,090</u>

More detailed information about the capital assets are presented in Note 5 to the financial statements.

DEBT

Long-term liabilities of Bossier Parish Emergency Medical Services District are as follows:

**Table 4
Outstanding Debt At Year End**

	Governmental Activities	
	2019	2018
Compensated absences	\$ 91,979	\$ 123,015
Net pension liability	1,387,347	
	\$ 1,479,326	\$ 123,015

More detailed information about long-term liabilities is presented in notes 6 and 7 to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR’S BUDGETS

The Bossier Parish Emergency Medical Services District’s management considered many factors when setting a fiscal year December 31, 2020 budget. Amounts available for appropriation in the governmental funds are expected to remain about the same.

It is anticipated that management will consider and monitor the economic uncertainties of COVID-19 and the impact on available financial resources.

Expenditures for 2020 are expected to increase slightly in the area of personnel and related benefits.

CONTACTING THE DISTRICT’S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens and taxpayers with a general overview of the finances for those funds maintained by the Bossier Parish Emergency Medical Services District and to show the Bossier Parish Emergency Medical Services District’s accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Director at P.O. Box 1002, Benton, Louisiana, 71006.

Bossier Parish Emergency Medical Service District
 Bossier City, Louisiana
 Statement of Net Position
 December 31, 2019

	<u>Governmental Activities</u>
ASSETS	
Cash and cash equivalents	\$ 4,817,262
Investments	1,022,061
Accounts receivable:	
Assessment - user fee	875,076
Ambulance fees	157,833
Sales tax	347,991
DHH supplemental payments	373,302
Prepaid expenses	40,741
Capital assets (net)	
Non-depreciable	609,691
Depreciable (net)	<u>2,264,876</u>
Total assets	<u>10,508,833</u>
DEFERRED OUTFLOWS OF RESOURCES	
Pension related	<u>1,244,218</u>
LIABILITIES	
Accounts payable	15,457
Accrued expenses	155,914
Long-term liabilities:	
Due within one year	67,730
Due in more than one year	<u>1,387,347</u>
Total liabilities	<u>1,626,448</u>
DEFERRED INFLOWS OF RESOURCES	
Pension related	87,195
Unavailable revenue - assessment - user fee	<u>949,248</u>
Total deferred inflows of resources	<u>1,036,443</u>
NET POSITION	
Investment in capital assets	2,874,567
Unrestricted	<u>6,215,593</u>
Total net position	<u><u>\$ 9,090,160</u></u>

See accompanying notes to the basic financial statements.

Bossier Parish Emergency Medical Service District
 Bossier City, Louisiana
 Statement of Activities
 For the Year Ended December 31, 2019

	Program Revenues			Net (Expense) Revenue and Changes in Net Position
Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	
<u>Functions / Programs:</u>				
Governmental Activities				
Public safety - emergency medical services	\$ 4,529,073	\$2,224,890	\$ 23,886	\$ (2,280,297)
Total governmental activities	\$ 4,529,073	\$2,224,890	\$ 23,886	(2,280,297)
General revenues:				
Assessment - user fee				897,867
Sales taxes				1,697,721
Interest and dividends				126,282
Gain on disposal of assets				11,308
Miscellaneous				3,339
Total general revenues				2,736,517
Change in net position				456,220
Net position - beginning				8,633,940
Net position - ending				\$ 9,090,160

See accompanying notes to the basic financial statements.

Bossier Parish Emergency Medical Service District
Bossier City, Louisiana
Balance Sheet
Governmental Fund
December 31, 2019

	General Fund
Assets	
Cash and cash equivalents	\$ 4,817,262
Investments	1,022,061
Accounts receivable	
Assessment - user fee	875,076
Ambulance fee	157,833
Sales tax	347,991
DHH supplemental payments	373,302
Total assets	\$ 7,593,525
Liabilities	
Accounts payable	\$ 15,457
Accrued expenses	155,914
Total liabilities	171,371
Deferred inflows of resources	
Unavailable revenue	
Assessment - user fee	949,248
Ambulance fees	8,599
Sales tax	41,029
DHH supplemental payments	132,118
Total deferred inflows of resources	1,130,994
Fund balances	
Committed	
Vehicle replacement	1,195,000
Public safety and injury prevention program	400,000
Capital Improvements	2,275,000
Unassigned	2,421,160
Total fund balances	6,291,160
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	2,874,567
Long-term liabilities and other amounts are not due and payable in the current period and therefore are not reported in the funds.	
Compensated absences	(67,730)
Net pension liability	(1,387,347)
Deferred inflows - pension related	(87,195)
Deferred inflows - unavailable revenue	181,746
The nonallocation method of accounting for prepayments is used in the fund statements, since the prepayment does not provide expendable financial resources.	40,741
Other long-term assets and other amounts are not available to pay for current-period expenditures and therefore are not available in the funds.	
Deferred outflows - pension related	1,244,218
Net position of governmental activities	\$ 9,090,160

See accompanying notes to the basic financial statements.

Bossier Parish Emergency Medical Service District
 Bossier City, Louisiana
 Statement of Revenues, Expenditures, and Changes in Fund Balances
 Governmental Fund
 For the Year Ended Decemer 31, 2019

	<u>General Fund</u>
Revenues	
Assessment - user fee	\$ 897,867
Sales tax	1,695,459
Charges for services - ambulance fees	1,558,442
DHH supplemental payments	644,032
Interest and dividends	126,282
Miscellaneous	<u>3,339</u>
 Total revenues	 <u>4,925,421</u>
Expenditures	
Current - public safety:	
Personal service and related benefits	2,916,416
Operating services	927,650
Capital outlay	<u>667,610</u>
 Total expenditures	 <u>4,511,676</u>
 Excess of revenues over expenditures	 <u>413,745</u>
Other financing sources:	
Insurance proceeds	<u>25,000</u>
Total other financing sources	<u>25,000</u>
 Excess of revenues and other sources over expenditures and other uses	 438,745
 Fund balances at beginning of year	 <u>5,852,415</u>
 Fund balances at end of year	 <u>\$ 6,291,160</u>

See accompanying notes to the basic financial statements.

Bossier Parish Emergency Medical Service District
 Bossier City, Louisiana
 Reconciliation of the Statement of Revenues, Expenditures, and Changes in
 Fund Balances of the Governmental Fund to the Statement of Activities
 For the Year Ended December 31, 2019

Net change in fund balances - total governmental fund \$ 438,745

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

Governmental funds report capital outlays as expenditures. However,
 in the statement of activities, the cost of those assets is allocated over
 their estimated useful lives and reported as depreciation expense.
 This is the amount by which capital outlays (\$667,610) exceeded
 depreciation (\$393,891) in the current period. 273,719

The net effect of various transactions involving capital assets (sales,
 trade-ins, donated infrastructure, etc.) is to decrease net assets. (13,692)

Some expenses reported in the statement of activities do not require
 the use of current financial resources and therefore are not reported
 as expenditures in the governmental fund.

Compensated absences	26,287
Pension expense	(318,869)

The nonallocation method of accounting for prepayments is used in the
 fund statements, since the prepayment does not provide expendable
 financial resources. 1,465

Revenues in the statement of activities that do not provide current
 financial resources are not reported as revenues in the funds.

Unavailable revenue	24,679
Non-employer contributions to cost-sharing pension plan	<u>23,886</u>

Change in net position of governmental activities \$ 456,220

See accompanying notes to the basic financial statements.

Bossier Parish Emergency Medical Service District
Bossier City, Louisiana
Notes to Financial Statements
December 31, 2019

INTRODUCTION

The Bossier Parish Emergency Medical Service District (the District) was created by the Bossier Parish Policy Jury by Ordinance No. 3266 on August 10, 1993, as provided under the Louisiana Revised Statute 33:9053.1. The District is comprised of all the territory located within the Parish of Bossier excluding the municipality of Bossier City and that portion of the Parish located within the municipality of Shreveport. The District is governed by a Board of Commissioners, who are appointed by the Bossier Parish Police Jury. The Board of Commissioners received no compensation during 2019. The District constitutes a political subdivision of the State of Louisiana and is a component unit of the Bossier Parish Police Jury. The purpose of the District is to provide ambulance service for the transportation of persons which necessitate ambulance care and for providing related services.

(1) Summary of Significant Accounting Policies

The Bossier Parish Emergency Medical Service District's financial statements are prepared in conformity with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established in GAAP and used by the Bossier Parish Emergency Medical Service District are discussed below.

A. Reporting Entity

The District is a component unit of the Bossier Parish Policy Jury, the financial reporting entity. The Policy Jury is financially accountable for the district because it appoints or ratifies a voting majority of the board and has the ability to impose its will on them.

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

B. Basic Financial Statements – Government-Wide Statements

The Bossier Parish Emergency Medical Service District's basic financial statements include both government-wide (reporting the funds maintained by the Bossier Parish Emergency Medical Service District as a whole) and fund financial statements (reporting the Bossier Parish Emergency Medical Service District's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. The Bossier Parish Emergency Medical Service District's general fund is classified as governmental activities. The Bossier Parish Emergency Medical Service District does not have any business-type activities.

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

(Continued)

Bossier Parish Emergency Medical Service District
Bossier City, Louisiana
Notes to Financial Statements
December 31, 2019
(Continued)

The government-wide Statement of Activities reports both the gross and net cost of each of the Bossier Parish Emergency Medical Service District's functions. The functions are supported by program revenues and general government revenues. The Statement of Activities reduces gross expenses (including depreciation) by any related program revenues, which must be directly associated with the function. Program revenues of the District consist of ambulance fees billed to insurance companies and individuals and government grants, as well as non-employer contributions to cost-sharing pension plan. The net costs (by function) are normally covered by general revenues.

This government-wide focus is more on the sustainability of the Bossier Parish Emergency Medical Service District as an entity and the change in the Bossier Parish Emergency Medical Service District's net position resulting from the current year's activities.

C. Basic Financial Statements – Fund Financial Statements

The financial transactions of the Bossier Parish Emergency Medical Service District are recorded in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues and expenditures. The various funds are reported by generic classification within the financial statements.

The following fund types are used by the Bossier Parish Emergency Medical Service District:

Governmental Funds – the focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the Bossier Parish Emergency Medical Service District:

- a. General funds are the general operating funds of the Bossier Parish Emergency Medical Service District. They are used to account for all financial resources except those required to be accounted for in another fund.

The emphasis in fund financial statements is on the major funds in the governmental category. GASB sets forth minimum criteria (percentage of the assets, liabilities, revenues, or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The District's general fund was determined to be a major fund.

D. Basis of Accounting

Basis of accounting refers to the point at which revenues or expenditures are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

1. Accrual:

The governmental funds in the government-wide financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

(Continued)

Bossier Parish Emergency Medical Service District
Bossier City, Louisiana
Notes to Financial Statements
December 31, 2019
(Continued)

Revenues of the Bossier Parish Emergency Medical Service District consist principally of sales taxes, user fees on property, ambulance fees collected from billings, other intergovernmental revenues, donations, grants, and interest income. Assessment-user fees on property are recorded in the year for which the fee is levied and budgeted. Sales taxes are recognized in the period in which the underlying exchange has occurred. Ambulance fees are recorded when billed, net of any amounts determined to be uncollectible. Interest income is recorded when earned. Donations, grants, and other intergovernmental revenues are recorded when received in cash because they are generally not measurable until actually received.

2. Modified Accrual:

The governmental funds financial statements are presented on the modified accrual basis of accounting. Under modified accrual basis of accounting, revenues are recorded when susceptible to accrual: i.e., both measurable and available. "Available" means collectible within the current period or within 60 days after year end. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this rule is that principal and interest on general obligation long-term debt, if any, is recognized when due. Depreciation is not recognized in the governmental fund financial statements.

E. Budgets

The District uses the following budget practices:

A budget for the ensuing year is prepared prior to December 31 of each year and is made available for public inspection at least fifteen days prior to the beginning of each fiscal year. The proposed budget is prepared on the cash basis of accounting. The budget is established and controlled by the board of commissioners at the object level of expenditure. Appropriations lapse at year-end and must be reappropriated for the following year to be expended. All changes in the budget must be approved by the board of commissioners. There was one budget amendment during the year ended December 31, 2019, which is reflected in the budgetary comparison schedule.

F. Cash, Cash Equivalents, and Investments

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

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

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Bossier Parish Emergency Medical Service District
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G. Capital Assets

Capital assets purchased or acquired with an original cost of \$5,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at acquisition value as of the date received. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

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

Buildings	20 – 40 years
Ambulances	5 – 7 years
Equipment	5 – 20 years

H. Long-term Liabilities

All long-term liabilities to be repaid from governmental resources are reported as liabilities in the government-wide statements. The long-term liabilities consist of compensated absences payable and net pension liability.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. Payment of compensated absences is reported as an expenditure as payments come due each period.

I. Compensated Absences

Employees of the District earn from five to ten, 24 hour shifts of vacation leave each year, depending on their lengths of service, and five, 24 hour shifts of sick leave. Upon separation of employment, an employee will be paid for accrued, unused vacation leave. Accumulated sick leave is forfeited upon separation of employment. Employees who do not use their vacation leave by their anniversary date forfeit the remaining unused leave balance as of that date.

J. Use of Estimates

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

K. Sales Tax

During 1999, a special election was held in which a ¼% sales tax was passed in the Sales Tax District No. 1 of Bossier Parish, State of Louisiana. The sales tax is to be used for constructing, improving, acquiring, operating and maintaining facilities and equipment, ambulance service and otherwise paying the cost of ambulance service for the residents of Bossier Parish.

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Bossier Parish Emergency Medical Service District
Bossier City, Louisiana
Notes to Financial Statements
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(Continued)

L. Assessment – User Fee

The District is authorized to levy a user fee not to exceed \$36.00 per year to assess persons owning each residential or commercial structure located wholly or partly within the boundaries of said District. The user fee is recorded in the year for which the fee is levied and budgeted. User fees are assessed on a calendar year basis, become due on November 15 of each year, and become delinquent on December 31. The fees are generally collected in December of the current year and January and February of the ensuing year.

M. Deferred Inflows / Outflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District currently has deferred outflows of resources related to pensions in the governmental-wide statement of net position.

In addition to liabilities, the statement of financial position will sometimes report a separate section for *deferred inflows of resources*. This separate financial statement element reflects an increase in net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The District has several items that meet this definition and qualify for reporting in this category. Accordingly, the item, unavailable revenue, is reported in the governmental funds balance sheet and statement of net position. The District reports unavailable revenue from several sources, including user fees and other receipts. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available or the period for which the amounts are budgeted. The district also has deferred inflows of resources related to pensions in the government-wide statement of net position.

N. Net Position

Government-wide net position is divided into three components: Net investment in capital assets consists of the historical cost of capital assets less accumulated depreciation and less any debt that remains outstanding that was used to finance those assets plus deferred outflows of resources less deferred inflows of resources related to those assets. Restricted net position consists of assets that are restricted by the district's creditors (for example, through debt covenants), by the state enabling legislation (through restrictions on shared revenues), by grantors (both federal and state), and by other contributors (less related liabilities and deferred inflows of resources). All other net position is reported as unrestricted net position. When an expense is incurred that can be paid using either restricted or unrestricted resources (net position), the district's policy is to first apply the expense toward restricted resources and then toward unrestricted resources.

O. Fund Balance

GASB has issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, which defines the different types of fund balances that a governmental entity must use for financial reporting purposes. GASB 54 requires the fund balance amounts to be properly reported within one of the fund balance categories list below.

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(Continued)

1. Nonspendable fund balances are amounts that cannot be spent because they are either (a) not in spendable form, such as inventory or prepaid expenses, or (b) legally or contractually required to be maintained intact, such as a trust that must be retained in perpetuity.
2. Restricted fund balances are restricted when constraints placed on the use of resources are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.
3. Committed fund balances include amounts that can be used only for the specific purposes as a result of constraints imposed by the board of commissioners (the District's highest level of decision making authority).

Committed amounts cannot be used for any other purpose unless the board of commissioners removes those constraints by taking the same type of action (i.e. legislation, resolution, ordinance).
4. Assigned fund balances are amounts that are constrained by the District's intent to be used for specific purposes, but are neither restricted nor committed.
5. Unassigned fund balance is the residual classification for the District's general fund and include all spendable amounts not contained in the other classifications.

When both restricted and unrestricted fund balances are available for use, it is the District's policy to use restricted fund balance first, then unrestricted fund balance. Furthermore, committed fund balances are reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications can be used.

P. Fair Value Measurements

Generally accepted accounting principles require disclosure to be made about fair value measurements, the level of fair value hierarchy, and valuation techniques. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels:

Level 1 inputs – The valuation is based on quoted market prices for identical assets or liabilities traded in active markets;

Level 2 inputs – The valuation is based on quoted market prices for similar instruments traded in active markets, quoted prices for identical or similar instruments in markets that are not active, and inputs other than quoted prices that are observable for the asset or liability;

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Bossier Parish Emergency Medical Service District
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Level 3 inputs – The valuation is determined by using the best information available under the circumstances and might include the government's own data but should adjust those data if (a) reasonably available information indicates that other market participants would use different data or (b) there is something particular to the government that is not available to other market participants.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on lowest level of any input that is significant to the fair value measurement.

Q. Pension Plan

The District is a participating employer in a cost-sharing, multiple-employer, defined benefit pension plans as described in Note 6. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of each of the plans, and additions to/deductions for the plans fiduciary net position, have been determined on the same basis as they are reported by the plan.

R. Prepaid Items

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

(2) Cash, Cash Equivalents, and Investments

At December 31, 2019, the District had cash, cash equivalents, and investments (book balances), totaling \$5,839,323, as detailed below.

A. Cash and Cash Equivalents

Cash and cash equivalents at December 31, 2019 (book balances) totaled \$4,817,262. These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent.

B. Investments

The investments are presented in the financial statements at fair value using level 2 fair value measure. Investments at December 31, 2019, consisted of certificates of deposit totaling \$1,022,061 with maturities greater than 90 days. The certificates of deposit are carried at cost, which approximates market.

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Bossier Parish Emergency Medical Service District
 Bossier City, Louisiana
 Notes to Financial Statements
 December 31, 2019
 (Continued)

C. Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. As of December 31, 2019, \$4,223,920 of the District's bank balances totaling \$5,973,920 were exposed to custodial credit risk as follows:

Uninsured and collateral held by the pledging bank's
 trust department not in the District's name:

Cash and cash equivalents	\$ 3,451,859
Certificates of deposit	<u>772,061</u>
	<u>\$ 4,223,920</u>

Even though the pledged securities are considered uncollateralized (Category 3) under GASB provisions, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the clerk that the fiscal agent has failed to pay deposited funds upon demand.

(3) Accrued Expenses

Accrued expenses at December 31, 2019, consisted of the following:

Payroll and related expenses	\$ 12,736
Retirement payable	118,929
Accrued leave	<u>24,249</u>
	<u>\$ 155,914</u>

(4) Leases

For the year ended December 31, 2019, the district had an operating lease on equipment that is utilized by the district. Lease payments on the lease for the year ended December 31, 2019 were \$3,123. Commitments under lease agreements having initial remaining terms in excess of one year are as follows:

For the Year Ending	
<u>December 31,</u>	
2020	\$ 3,123
2021	<u>2,082</u>
Total minimum future rentals	<u>\$ 5,205</u>

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Bossier Parish Emergency Medical Service District
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Notes to Financial Statements
December 31, 2019
(Continued)

(5) Capital Assets

Capital asset activity for the year ended December 31, 2019, was as follows:

	Balance at Jan. 1, 2019	Additions	Deletions	Balance at Dec. 31, 2019
<u>Governmental Activities:</u>				
Capital assets, not being depreciated:				
Land	\$ 12,000	\$	\$	\$ 12,000
Construction in progress	44,000	553,691		597,691
Total capital assets, not being depreciated	<u>56,000</u>	<u>553,691</u>		<u>609,691</u>
Capital assets, being depreciated:				
Buildings	2,135,870			2,135,870
Medical equipment	785,311			785,311
Training equipment	195,680			195,680
Communications equipment	59,075			59,075
Vehicles	2,080,285	113,919	(122,487)	2,071,717
Total capital assets, being depreciated at historical cost	<u>5,256,221</u>	<u>113,919</u>	<u>(122,487)</u>	<u>5,247,653</u>
Less accumulated depreciation:				
Buildings	(670,465)	(80,746)		(751,211)
Medical equipment	(479,685)	(80,433)		(560,118)
Training equipment	(134,675)	(17,268)		(151,943)
Communications equipment	(58,899)			(58,899)
Vehicles	(1,353,957)	(215,444)	108,795	(1,460,606)
Total accumulated depreciation	<u>(2,697,681)</u>	<u>(393,891)</u>	<u>108,795</u>	<u>(2,982,777)</u>
Total capital assets being depreciated, net	<u>2,558,540</u>	<u>(279,972)</u>	<u>(13,692)</u>	<u>2,264,876</u>
Governmental activities capital assets, net	<u>\$ 2,614,540</u>	<u>\$ 273,719</u>	<u>\$ (13,692)</u>	<u>\$ 2,874,567</u>

Depreciation expense for the year ended December 31, 2019, was \$393,891.

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Bossier Parish Emergency Medical Service District
Bossier City, Louisiana
Notes to Financial Statements
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(Continued)

(6) Pension Plan

The District participates in the Parochial Employees' Retirement System of Louisiana (System), a cost-sharing multiple-employer defined benefit pension plan established by Act 205 of the 1952 regular session of the Legislature of the State of Louisiana to provide retirement benefits to all employees of any parish in the state of Louisiana or any governing body or a parish which employs and pays persons serving the parish. Act 765 of the year 1979, established by the Legislature of the State of Louisiana, revised the System to create Plan A and Plan B to replace the "regular plan" and the "supplemental plan". Plan A was designated for employers out of Social Security. Plan B was designated for those employers that remained in Social Security on the revision date. The Retirement System is governed by Louisiana Revised Statutes, Title 11, Sections 1901 through 2025, specifically, and other general laws of the State of Louisiana.

All employees of the District are members of Plan A.

Plan Description

Parochial Employees' Retirement System of Louisiana is the administrator of a cost sharing multiple employer defined benefit pension plan. The System was established and provided for by R.S.11:1901 of the Louisiana Revised Statute (LRS). The System provides retirement benefits to employees of taxing districts of a parish or any branch or section of a parish within the State which does not have their own retirement system and which elects to become members of the System. The following is a description of the plan and its benefits and is provided for general information purposes only. Participants should refer to these appropriate statutes for more complete information.

Eligibility Requirements:

All permanent parish government employees (except those employed by Orleans, Lafourche and East Baton Rouge Parishes) who work at least 28 hours a week shall become members on the date of employment. New employees meeting the age and Social Security criteria have up to 90 days from the date of hire to elect to participate. As of January 1997, elected officials, except coroners, justices of the peace, and parish presidents may no longer join the System.

Retirement Benefits:

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

For employees hired prior to January 1, 2007:

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

For employees hired after January 1, 2007:

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

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

Survivor Benefits:

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

Deferred Retirement Option Plan:

Act 338 of 1990 established the Deferred Retirement Option Plan (DROP) for the Retirement System. DROP is an option for that member who is eligible for normal retirement. In lieu of terminating employment and accepting a service retirement, any member of Plan A or B who is eligible to retire may elect to participate in the Deferred Retirement Option Plan (DROP) in which they are enrolled for three years and defer the receipt of benefits. During participation in the plan, employer contributions are payable but employee contributions cease. The monthly retirement benefits that would be payable, had the person elected to cease employment and receive a service retirement allowance, are paid into the DROP Fund.

Upon termination of employment prior to or at the end of the specified period of participation, a participant in the DROP may receive, at his option, a lump sum from the account equal to the payments into the account, a true annuity based upon his account balance in that fund, or roll over the fund to an Individual Retirement Account. Interest is accrued on the DROP benefits for the period between the end of DROP participation and the member's retirement date.

For individuals who become eligible to participate in the Deferred Retirement Option Plan on or after January 1, 2004, all amounts which remain credited to the individual's subaccount after termination in the Plan will be placed in liquid asset money market investments at the discretion of the board of trustees. These subaccounts may be credited with interest based on money market rates of return or, at the option of the System, the funds may be credited to self-directed subaccounts. The participant in the self-directed portion of this Plan must agree that the benefits payable to the participant are not the obligations of the state or the System, and that any returns and other rights of the Plan are the sole liability and responsibility of the participant and the designated provider to which contributions have been made.

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Bossier Parish Emergency Medical Service District
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Notes to Financial Statements
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Disability Benefits:

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

Cost of Living Increases:

The Board is authorized to provide a cost of living allowance for those retirees who retired prior to July 1973. The adjustment cannot exceed 2% of the retiree's original benefit for each full calendar year since retirement and may only be granted if sufficient funds are available from investment income in excess of normal requirements. In addition, the Board may provide an additional cost of living increase to all retirees and beneficiaries who are over age sixty-five equal to 2% of the member's benefit paid on October 1, 1977, (or the member's retirement date, if later). Also, the Board may provide a cost of living increase up to 2.5% for retirees 62 and older. (RS 11:1937). Lastly, Act 270 of 2009 provided for further reduced actuarial payments to provide an annual 2.5% cost of living adjustment commencing at age 55.

Employer Contributions

According to state statute, contributions for all employers are actuarially determined each year. For the year ended December 31, 2018, the actuarially determined contribution rate was 9.99% of member's compensation for Plan A. However, the actual rate for the fiscal year ending December 31, 2018 was 11.5% for Plan A. The actual rate for the fiscal year ending December 31, 2019 was 11.5%. The District's contributions to the System for the years ended December 31, 2019, 2018, and 2017 were \$226,260, \$220,987, and \$236,081, respectively. Included in contributions for 2019 are contributions for the fourth quarter December 2019 in the amount of \$64,891, which were paid in January 2020.

According to state statute, the System also receives $\frac{1}{4}$ of 1% of ad valorem taxes collected within the respective parishes, except for Orleans and East Baton Rouge parishes. The System also receives revenue sharing funds each year as appropriated by the Legislature. Tax monies and revenue sharing monies are apportioned between Plan A and Plan B in proportion to the member's compensation. These additional sources of income are used as additional employer contributions and are considered support from non-employer contributing entities. Non-employer contributions received by the System and attributable to the District during the years ended December 31, 2019 and 2018 were \$23,886 and \$21,904, respectively.

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Bossier Parish Emergency Medical Service District
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 Notes to Financial Statements
 December 31, 2019
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Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2019, the District reported a liability of \$1,387,347 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2018 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The historical employer contributions are used to determine the proportionate relationship of each employer to all employers of Parochial Employees' Retirement System of Louisiana. The employer's proportion was determined on a basis that is consistent with the manner in which contributions to the pension plan are determined. The resulting allocation percentages were used in calculating each employer's proportionate share of the pension amounts.

The allocation method used in determining each employer's proportion was based on each employer's contribution to the plan during the fiscal year ended December 31, 2018 as compared to the total of all employer's contributions received by the plan during the fiscal year ended December 31, 2018.

At December 31, 2018, the District's proportion was .312581%, which was an increase of .01795% from its proportion measured as of December 31, 2017.

For the year ended December 31, 2019, the District recognized pension expense of \$539,871, plus employer's amortization of change in proportionate share and the difference between employer contributions and proportionate share of contributions, \$5,259.

At December 31, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$	\$ 84,521
Changes of assumptions	346,882	
Net difference between projected and actual earnings on pension plan investments	664,127	
Changes in proportion and differences between employer contributions and proportionate share of contributions	6,949	2,674
Employer contributions subsequent to the measurement Date	226,260	
Total	<u>\$ 1,244,218</u>	<u>\$ 87,195</u>

The District reported a total of \$226,260 as deferred outflow of resources related to pension contributions made subsequent to the measurement period of December 31, 2018, which will be recognized as a reduction in net pension liability (asset) in the year ended December 31, 2020.

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Bossier Parish Emergency Medical Service District
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 Notes to Financial Statements
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 (Continued)

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expenses as follows:

<u>Year</u>	<u>Amount</u>
2020	\$ 319,291
2021	174,422
2022	143,673
2023	<u>293,376</u>
Total	<u>\$ 930,762</u>

Actuarial Methods and Assumptions

The net pension liability was measured as the portion of the present value of projected benefit payments to be provided through the pension plan to current active and inactive employees that is attributed to those employees' past periods of service, less the amount of the pension plan's fiduciary net position.

A summary of the actuarial methods and assumptions used in determining the total pension liability as of December 31, 2018, are as follows:

Valuation Date	December 31, 2018
Actuarial Cost Method	Plan A – Entry Age Normal
Investment Rate of Return	6.50% (Net of investment expense)
Expected Remaining Service lives	4 years
Projected Salary Increases	Plan A – 4.75% (2.75% Merit/2.00% Inflation)
Inflation Rate	2.40%
Cost of Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The present values do not include provisions for potential future increase not yet authorized by the Board of Trustees.
 Mortality	 Pub-2010 Public Retirement Plans Mortality Table for Health Retirees multiplied by 130% for males and 125% for females using MP2018 scale for annuitant and beneficiary mortality. For employees, the Pub-2010 Public Retirement Plans Mortality Table for General Employees multiplied by 130% for males and 125% for females using MP2018 scale. Pub-2010 Public Retirement Plans Mortality Table for General Disabled Retirees multiplied by 130% for males and 125% for females using MP2018 scale for disabled annuitants.

(Continued)

Bossier Parish Emergency Medical Service District
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 (Continued)

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

The long-term expected rate of return on pension plan investments was determined using a triangulation method which integrated the CAPM pricing model (top-down), a treasury yield curve approach (bottom-up) and an equity building-block model (bottom-up). Risk return and correlations are projected on a forward looking basis in equilibrium, in which best-estimates of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These rates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.00% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return is 7.43% for the year ended December 31, 2018. Best estimates of arithmetic real rates of return for each major asset class included in the System's target asset allocation as of December 31, 2018 are summarized in the following table:

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Long-Term Expected Portfolio Real Rate of Return</u>
Fixed income	35%	1.22%
Equity	52%	3.45%
Alternatives	11%	0.65%
Real assets	2%	0.11%
Totals	<u>100%</u>	<u>5.43%</u>
Inflation		<u>2.00%</u>
Expected Arithmetic Nominal Return		<u>7.43%</u>

(Continued)

Bossier Parish Emergency Medical Service District
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 (Continued)

The mortality rate assumption used was set based upon an experience study performed on plan data for the period January 1, 2013 through December 31, 2017. The data was assigned credibility weighting and combined with a standard table to produce current levels of mortality. As a result of this study, mortality for employees was set equal to the Pub-2010 Public Retirement Plans Mortality Table for General Employees multiplied by 130% for males and 125% for females, each with full generational projection using the MP2018 scale. In addition, mortality for annuitants and beneficiaries was set equal to the Pub-2010 Public Retirement plans Mortality Table for Healthy Retirees multiplied by 130% for males and 125% for females, each with full generational projection using the MP2018 scale. For Disabled annuitants, mortality was set equal to the Pub-2010 Public Retirement Plans Mortality Table for General Disabled Retirees multiplied by 130% for males and 125% for females, each with full generational projection using the MP2018 scale.

Sensitivity to Change in Discount Rate

The following presents the net pension liability of the participating employers calculated using the discount rate of 6.50%, as well as what the employers' net pension liability would be if it were calculated using a discount rate that is one percentage point lower 5.50% or one percentage point higher 7.50% than the current rate.

	PLAN A		
	<u>Changes in Discount Rate</u>		
		Current	
	1%	Discount	1%
	Decrease	Rate	Increase
	<u>5.50%</u>	<u>6.50%</u>	<u>7.50%</u>
Net Pension Liability	\$2,946,352	\$1,387,347	\$ 84,153

Change in Net Pension Liability

The changes in the net pension liability for the year ended December 31, 2018 were recognized in the current reporting period as pension expense except as follows:

Differences between Expected and Actual Experience:

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

Differences between Projected and Actual Investment Earnings:

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

Change in Assumptions:

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

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Change in Proportion:

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

Contributions – Proportionate Share

Differences between contributions remitted to the System and the employer's proportionate share are recognized in pension expense/(benefit) using the straight line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with a pension through the pension plan.

Retirement System Audit Report

Parochial Employees' Retirement System of Louisiana issued a stand-alone audit report on its financial statements for the year ended December 31, 2018. Access to the audit report can be found on the System's website: www.persla.org or on the Office of Louisiana Legislative Auditor's official website: www.la.state.la.us.

Plan Fiduciary Net Position

Plan fiduciary net position is a significant component of the System's collective net pension liability. The System's plan fiduciary net position was determined using the accrual basis of accounting. The System's assets, liabilities, revenues and expenses were recorded with the use of estimates and assumptions in conformity with accounting principles generally accepted in the United States of America. Such estimates primarily related to unsettled transactions and events as of the date of the financial statements and estimates over the determination of the fair market value of the System's investments. Accordingly, actual results may differ from estimated amounts. The Plan's fiduciary net position has been determined on the same basis as that used by the plan. Detailed information about the fiduciary net position is available in a stand-alone audit report on their financial statements for the year ended December 31, 2018. Access to these reports can be found on the Louisiana Legislative Auditor's website, www.la.la.gov.

(Continued)

Bossier Parish Emergency Medical Service District
 Bossier City, Louisiana
 Notes to Financial Statements
 December 31, 2019
 (Continued)

(7) Long-term Liabilities

Long-term liability activity for the year ended December 31, 2019, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Net pension liability	\$	\$ 1,387,347	\$	\$ 1,387,347	\$
Compensated absences	<u>123,015</u>	<u> </u>	<u>(31,036)</u>	<u>91,979</u>	<u>91,979</u>
	<u>\$ 123,015</u>	<u>\$ 1,387,347</u>	<u>\$(31,036)</u>	1,479,326	91,979
Less amounts due within period of availability— recorded in accrued expenses				<u>(24,249)</u>	<u>(24,249)</u>
Total long-term liabilities, government-wide statements				<u>\$ 1,455,077</u>	<u>\$ 67,730</u>

(8) Risk Management

The District purchases commercial insurance to provide workers compensation coverage and general liability and property insurance. There were no significant reductions in insurance coverage from the prior year.

(9) Subsequent Events

Subsequent events have been evaluated through June 25, 2020, the date the financial statements were available to be issued.

The District approved the purchase of three new vehicles, vehicle improvements and equipment with a total approximate purchase price of \$280,044. These items are expected to be received and paid for in 2020.

As a result of the COVID-19 Coronavirus, economic uncertainties have arisen which are likely to negatively impact financial resources. While the duration on the economic impact is expected to be temporary, there is considerable uncertainty around the duration. The related financial impact and duration cannot be reasonably estimated at this time.

(10) Commitments

The District has a commitment for a signed architectural and construction contract for the construction of a maintenance building of approximately \$1,145,376. As of December 31, 2019, approximately \$597,691 had been incurred on the contract, with the balance remaining to be incurred subsequent to December 31, 2019.

(11) Contingencies

At December 31, 2019, the District is involved in one lawsuit. In the opinion of management and legal counsel, the outcome of the lawsuit is not likely to have a material adverse effect on the accompanying financial statements.

Bossier Parish Emergency Medical Service District
 Bossier City, Louisiana
 Required Supplementary Information
 Budgetary Comparison Schedule
 General Fund
 For the Year Ended December 31, 2019

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
Revenues				
Assessment - user fee	\$ 910,000	\$ 895,000	\$ 928,166	\$ 33,166
Sales tax	1,600,000	1,630,000	1,660,704	30,704
Charges for services - ambulance fees	1,525,000	1,555,000	1,549,962	(5,038)
Miscellaneous		72,500	28,339	(44,161)
Interest and dividends	48,500	47,500	126,282	78,782
DHH supplemental payments	680,000	558,112	643,254	85,142
Total revenues	4,763,500	4,758,112	4,936,707	178,595
Expenditures				
Current - public safety:				
Personal service and related benefits	3,010,000	2,996,500	2,921,165	75,335
Operating services	1,078,500	987,500	925,606	61,894
Capital outlay	278,500	838,000	667,610	170,390
Total expenditures	4,367,000	4,822,000	4,514,381	307,619
Excess of revenues over (under) expenditures	396,500	(63,888)	422,326	486,214
Fund balances at beginning of year		63,888	5,285,333	5,221,445
Fund balances at end of year	<u>\$ 396,500</u>	<u>\$</u>	<u>\$ 5,707,659</u>	<u>\$ 5,707,659</u>

See accompanying note to the required supplementary schedule.

Bossier Parish Emergency Medical Service District
 Bossier City, Louisiana
 Notes to Required Supplementary Information
 December 31, 2019

The District's budget is adopted on a cash basis for all funds, except for certain payroll liabilities which are recorded by the District. There was one amendment to the 2019 budget. The budget comparison schedule included in the accompanying financial statements includes the original and amended budget. The schedule below reconciles excess (deficiency) of revenues and other sources over expenditures and other uses on the budget basis with GAAP basis:

	<u>General Fund</u>
Excess of revenues over expenditures and other uses (budget basis)	\$ 422,326
Adjustments:	
Revenue accruals – net	13,714
Expenditure accruals – net	<u>2,705</u>
Excess of revenues and other sources over expenditures and other uses (GAAP basis)	<u>\$ 438,745</u>

Bossier Parish Emergency Medical Service District
 Bossier City, Louisiana
 Schedule of Proportionate Share of Net Pension Liability (Asset)
 For the Year Ended December 31, 2019

Parochial Employees Retirement System of Louisiana

Year Ended December 31	Proportion of the net pension liability (asset)	Proportionate share of the net pension liability (asset)	Covered-employee payroll	Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	Plan fiduciary net position as a percentage of the total pension liability
2019	0.31258%	\$ 1,387,347	\$ 1,921,623	72.20%	88.86%
2018	0.29463%	(218,689)	1,803,376	12.13%	101.98%
2017	0.30621%	630,648	1,816,101	34.73%	94.15%
2016	0.31934%	840,582	1,830,941	45.91%	92.23%
2015	0.31622%	86,458	1,717,654	5.03%	99.15%

*Amounts presented were determined as of the measurement date.

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

Bossier Parish Emergency Medical Service District
 Bossier City, Louisiana
 Schedule of Contributions
 For the Year Ended December 31, 2019

Parochial Employees Retirement System of Louisiana

<u>Year Ended December 31</u>	<u>Statutorily Required Contribution</u>	<u>Contributions in relation to the statutorily required contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered-employee payroll</u>	<u>Contributions as a percentage of covered-employee payroll</u>
2019	\$ 226,260	\$ 226,260	\$	\$ 1,967,476	11.50%
2018	220,987	220,987		1,921,623	11.50%
2017	225,422	225,422		1,803,376	12.50%
2016	236,081	236,081		1,816,010	13.00%
2015	265,486	265,486		1,830,941	14.50%

*Amounts presented were determined as of the end of the fiscal year (December 31).

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

Bossier Parish Emergency Medical Service District
Bossier City, Louisiana
Schedule of Compensation, Benefits, and Other Payments to Agency Head
For the Year Ended December 31, 2019

Agency Head: Steve Nezat, Executive Director

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 94,478
Benefits-retirement	10,468
Continuing professional education fees	65

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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

Independent Auditors' Report

To the Members of the
Board of Commissioners
Bossier Parish Emergency Medical Service District

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and major fund of the Bossier Parish Emergency Medical Service District as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the Bossier Parish Emergency Medical Service District's basic financial statements, and have issued our report thereon dated June 25, 2020.

Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or 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.

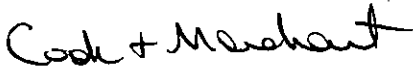
Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did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

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.



Cook & Morehart
Certified Public Accountants
June 25, 2020

Bossier Parish Emergency Medical Service District
Bossier City, Louisiana
Summary Schedule of Audit Findings
December 31, 2019

Summary Schedule of Prior Audit Findings

There were no findings for the prior year audit for the year ended December 31, 2018.

Corrective Action Plan for Current Year Audit Findings

There are no findings for the current year audit for the year ended December 31, 2019.

COOK & MOREHART

Certified Public Accountants

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Independent Accountants' Report on Applying Agreed-Upon Procedures

To the Board of Commissioners
Bossier Parish Emergency Medical Service District
Benton, Louisiana
and the Louisiana Legislative Auditor

We have performed the procedures enumerated below, which were agreed to by the Bossier Parish Emergency Medical Service District, and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2019 through December 31, 2019. Bossier Parish Emergency Medical Service District's management is responsible for those C/C 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 as follows:

Written Policies and Procedures

1. Obtain the entity's written policies and procedures and report whether those written policies and procedures address each of the following financial/business functions (or report that the entity does not have any written policies and procedures), as applicable:
 - a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget
 - 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.
 - c) ***Disbursements***, including processing, reviewing, and approving
 - d) ***Receipts***, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collection for each type of revenue or agency fund additions.
 - e) ***Payroll/Personnel***, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.

- 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
- 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
- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers
- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statutes 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.
- j) **Debt Service**, including (1) debt issuance approval, (2) Continuing disclosures/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- k) **Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

Management provided written policies and procedures addressing all of the above.

Board (or Finance Committee, if applicable)

Testing not required for this area for the fiscal period January 1, 2019 through December 31, 2019, due to no exceptions being noted in prior year.

Bank Reconciliations

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

Management provided the requested information above with management's representation that the listing is complete.

- a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);

Bank reconciliations selected included evidence that they were prepared within 2 months of the related statement closing date.

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

Exception: Of the five bank reconciliations selected for testing, there was no evidence that the bank reconciliations were approved; however, physical approval was noted on the bank statements.

Management's Response: Management will document review of bank reconciliations in the future.

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

Bank reconciliations selected did not have items that have been outstanding for more than 12 months.

Collections

Testing not required for this area for the fiscal period January 1, 2019 through December 31, 2019, due to no exceptions being noted in prior year.

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

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

Management provided the requested information, along with management's representation that the listing is complete.

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

- a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
- b) At least two employees are involved in processing and approving payments to vendors.
- c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
- d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

The District's written policies and procedures and employee job duties provide for the segregation of duties as noted above, except as noted below:

Exception: Checks are returned to the check preparer for mailing once signed.

Management's Response: Bank statements are reviewed by the Director on a monthly basis. In addition, bank statements are reconciled by the Assistant Director on a monthly basis.

- 10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:
 - a) Observe that the disbursement matched the related original invoice/billing statement.

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

Management provided the requested information, along with management's representation that the listing is complete. For the transactions selected for testing, the disbursements matched the related original invoices and include evidence of segregation of duties.

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

Testing not required for this area for the fiscal period January 1, 2019 through December 31, 2019, due to no exceptions being noted in prior year.

Travel and Expense Reimbursement

Testing not required for this area for the fiscal period January 1, 2019 through December 31, 2019, due to no exceptions being noted in prior year.

Contracts

Testing not required for this area for the fiscal period January 1, 2019 through December 31, 2019, due to no exceptions being noted in prior year.

Payroll and Personnel

Testing not required for this area for the fiscal period January 1, 2019 through December 31, 2019, due to no exceptions being noted in prior year.

Ethics (excluding nonprofits)

Testing not required for this area for the fiscal period January 1, 2019 through December 31, 2019, due to no exceptions being noted in prior year.

Debt Service (excluding nonprofits)

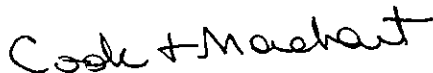
Testing not required for this area for the fiscal period January 1, 2019 through December 31, 2019, due to no exceptions being noted in prior year.

Other

Testing not required for this area for the fiscal period January 1, 2019 through December 31, 2019, due to no exceptions being noted in prior year.

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 C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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



Cook & Morehart
Certified Public Accountants
June 25, 2020