

**GRAND ISLE  
VOLUNTEER EMERGENCY SERVICES, INC.  
(GIVES)  
d/b/a  
AMBULANCE DISTRICT NO. 2  
OF JEFFERSON PARISH**

**ANNUAL FINANCIAL REPORT  
Year Ended December 31, 2018**

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## **FINANCIAL SECTION**

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# Paul C. Rivera, CPA

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## INDEPENDENT AUDITOR'S REPORT

To the President and Board of  
Grand Isle Volunteer Emergency Services, Inc. (GIVES)  
Grand Isle, Louisiana

### *Report on the Financial Statements*

I have audited the accompanying financial statements of the governmental activities and each major fund (i.e., the General Fund) of Grand Isle Volunteer Emergency Services, Inc. ("GIVES"), a non-profit entity d/b/a Ambulance District No. 2 of Jefferson Parish, as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise GIVES'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 accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

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

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

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

### *Opinions*

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of GIVES as of December 31, 2018 and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Other Matters***

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 3 through 10 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

### ***Other Information***

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise GIVES's financial statements. The individual fund statements, schedules and supplemental information are presented for purposes of additional analysis and are not a required part of the financial statements.

These individual fund statements, schedules and supplementary information are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the individual fund, schedules, and supplementary information are fairly stated in all material respects in relation to the basic financial statements as a whole.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, I have also issued a report dated June 27, 2019, on my consideration of GIVES's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering GIVES's internal control over financial reporting and compliance.



June 27, 2019  
Marrero, Louisiana

**GRAND ISLE EMERGENCY SERVICES, INC. (GIVES)**  
**PO BOX 1035**  
**GRAND ISLE, LA 70358**

**MANAGEMENT’S DISCUSSION AND ANALYSIS**

As management of Grand Isle Emergency Management, Inc. (“GIVES”), a non-profit entity d/b/a Ambulance District No. 2 of Jefferson Parish, we offer readers of GIVES’ financial statements this narrative overview and analysis of the financial activities of GIVES for the fiscal year ended December 31, 2018.

We encourage readers to consider the information presented here in conjunction with the financial statements, which begin on page 12.

***FINANCIAL HIGHLIGHTS***

- The assets of GIVES exceeded its liabilities at the close of the most recent fiscal year by \$429,384 (*net position*). Of this amount, \$219,880 or 51.2 percent is invested in capital assets, such as vehicles and equipment. The remaining balance of \$209,504 (*unrestricted net position*) or 48.8 percent may be used to meet the government’s ongoing obligations to citizens and creditors.
- GIVES’ total net position increased by \$122,507 or 39.9 percent during the current year because total revenues were more than total expenses by that amount. The increase was primarily caused by an increase in program revenues from the Parish of Jefferson.
- As of the close of the current fiscal year, GIVES’ governmental fund (the General Fund) reported ending fund balance of \$209,504, an increase of \$53,729 or 34.5 percent in comparison with the prior year. Approximately \$209,504 or 100.0 percent of this total amount is available for spending at the government’s discretion (*unassigned fund balance*).
- At the end of the current fiscal year, unassigned and total fund balance for the general fund was \$209,504 or 39.4 percent of total general fund expenditures.
- The Grand Isle Volunteer Fire Department (GIVFD) provides GIVES with administrative and operating support under a cooperative endeavor agreement. All of the employees of GIVES were transferred to GIVFD in 2007. For 2018, GIVES paid GIVFD \$367,418 (or 70.3 percent of its millage) under this agreement.
- GIVES had \$23,547 in outstanding long-term debt at December 31, 2018. This amount relates to a 2016 loan to purchase a new ambulance. The loan is payable over five years. GIVES made a payment of \$12,574 on this debt in 2018 (\$11,018 of principal and \$1,556 of interest).

***OVERVIEW OF THE FINANCIAL STATEMENTS***

This discussion and analysis are intended to serve as an introduction to GIVES’ basic financial statements. GIVES’ basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves. **Government-wide financial statements.** The “government-wide financial statements” are designed to provide readers with a broad overview of GIVES’ finances, in a manner similar to a private-sector business.

The “Statement of Net position” presents information on all of GIVES’ assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of GIVES is improving or deteriorating.

The “Statement of Activities” presents information showing how the government’s net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements are designed to distinguish functions of GIVES that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). It should be noted that GIVES only has governmental activities.

The government-wide financial statements include only the financial activities of GIVES, which are made up of the “private” account and the “public funds” account. The government-wide financial statements can be found on pages 12 and 13 of this report.

**Fund financial statements.** A “fund” is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. GIVES, because it is a “quasi-public” entity, uses fund accounting like state and local governments to ensure and demonstrate compliance with finance-related legal requirements.

GIVES’ funds can be classified into three categories: governmental funds, proprietary funds, and fiduciary funds. As discussed below, GIVES only presents governmental funds.

**Governmental funds.** “Governmental funds” are used to account for essentially the same functions reported as “governmental activities” in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government’s near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for “governmental funds” with similar information presented for “governmental activities” in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government’s near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between “governmental fund” and “governmental activities”.

GIVES maintains only one fund (the General Fund). Information is presented in the governmental fund balance sheet and in the governmental statement of revenues, expenditures, and changes in fund balances for the General fund.

GIVES is a “quasi-public” entity and is not required to adopt an annual budget. Thus, a budgetary comparison statement is not shown. The basic governmental fund financial statements can be found on pages 14 to 17 of this report.

**Notes to the Financial Statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 19 to 28 of this report.

**Other Supplemental Information.** Individual fund statements and schedules, which show additional detailed financial information on the General Fund, are found on pages 30 and 31. Information on compensation paid to the agency head is found on page 32.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, net position may serve over time as a useful indicator of a government’s financial position. In the case of GIVES, assets exceeded liabilities by \$429,384 at December 31, 2018.

A portion of GIVES’ net position (\$219,880 or 51.2 percent) reflects its investment in capital assets (e.g., land, buildings, furniture and fixtures, heavy equipment, and vehicles) less any related debt used to acquire those assets that is still outstanding. GIVES used these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although GIVES’ investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other resources, since the capital assets themselves cannot be used to liquidate these liabilities.

Below is a comparison of GIVES’ Statement of Net Position for 2018 and 2017.

**GRAND ISLE EMERGENCY SERVICES, INC. (GIVES)**

	Governmental Activities		Governmental Activities	
	2018		2017	
Current and other assets	\$ 296,173		\$ 175,246	
Capital assets	243,427		185,667	
Total assets	<u>539,600</u>		<u>360,913</u>	
Long-term liabilities outstanding	23,547		34,565	
Other liabilities	86,669		19,471	
Total liabilities	<u>110,216</u>		<u>54,036</u>	
Net position:				
Invested in capital assets, net of related debt	219,880	51.2%	151,102	49.2%
Restricted	-	0.0%	-	0.0%
Unrestricted	209,504	48.8%	155,775	50.8%
Total net position	<u>\$ 429,384</u>		<u>\$ 306,877</u>	

The balance of *unrestricted net position* (\$209,504 or 48.8 percent) may be used to meet the government’s ongoing obligations to citizens and creditors.

At December 31, 2018, GIVES is able to report positive balances in all three categories of net position.

GIVES’ net position increased by \$122,507 or 39.9 percent during the current fiscal year.

**Governmental Activities.** During 2018, governmental activities increased GIVES' net position by \$122,507. Key elements of this increase are shown below as compared to 2017.

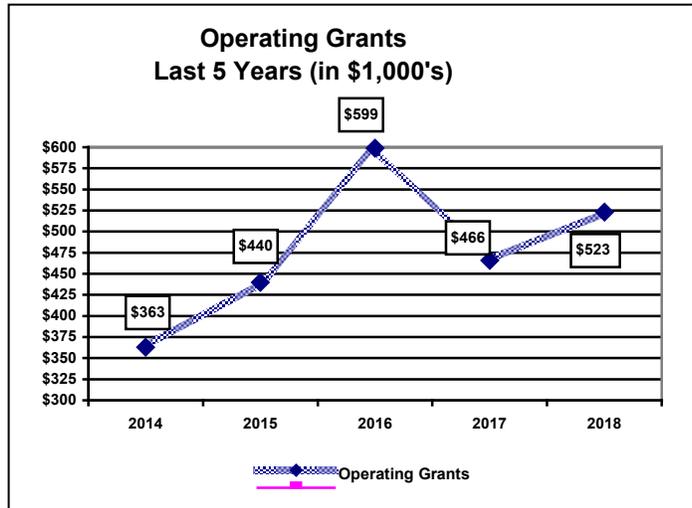
**GRAND ISLE EMERGENCY SERVICES, INC. (GIVES)**

	Governmental Activities		Governmental Activities	
	2018		2017	
Revenues:				
Program revenues:				
Charges for services	\$ 63,281	10.8%	\$ 66,587	12.5%
Operating grants and contributions	522,362	89.1%	465,996	87.5%
Capital grants and contributions	-	0.0%	-	0.0%
General revenues:				
Unrestricted charges for services	-	0.0%	-	0.0%
Unrestricted interest	302	0.1%	164	0.0%
Unrestricted gifts and donations	-	0.0%	-	0.0%
Gain (loss) on disposal of equipment	-	0.0%	-	0.0%
Miscellaneous	-	0.0%	-	0.0%
Total revenues	<u>585,945</u>	<u>110.0%</u>	<u>532,747</u>	<u>100.0%</u>
Expenses:				
Public Safety	463,438	100.0%	502,264	100.0%
Total expenses	<u>463,438</u>	<u>100.0%</u>	<u>502,264</u>	<u>100.0%</u>
Increase in net position	122,507		30,483	
Net position - beginning of year	306,877		276,394	
Net position - end of year	<u>\$ 429,384</u>		<u>\$ 306,877</u>	

- The program revenue - charges for services was \$63,281 during 2018. GIVES contracts with a private company to assist in billing insurance companies or Medicare for reimbursable services. These billings generated \$63,281 for 2018, a decrease of \$(3,306) or 5.0 percent. This decrease resulted from a decrease in activity and collections.
- Operating grants come from the Parish of Jefferson. The Parish levies an ad valorem tax in Grand Isle and remits a certain amount to GIVES each month to provide funding to the Ambulance District under a cooperative endeavor agreement. The number of mills levied was 10.99 (the same as last year). This allocation came in at \$522,362 for 2018, which was \$56,366 or 12.1 percent higher than last year. The increase resulted from a \$50,000 distribution of excess funds accumulated by the Parish from previous year's collections that were paid in 2018.

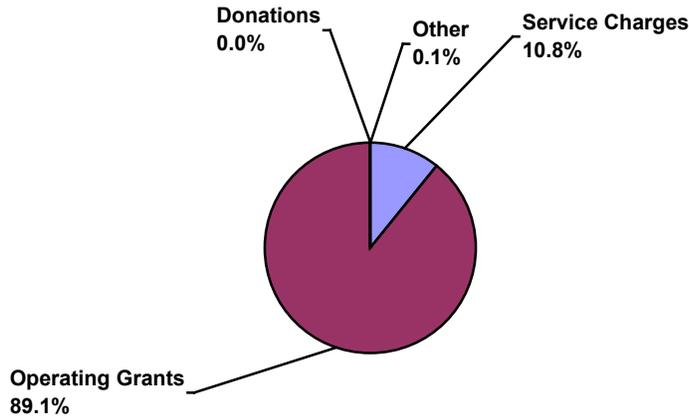
The graph shows the revenues from this tax over the past five years.

- Interest income came in at \$302 for 2018, slightly higher than last year's \$164.



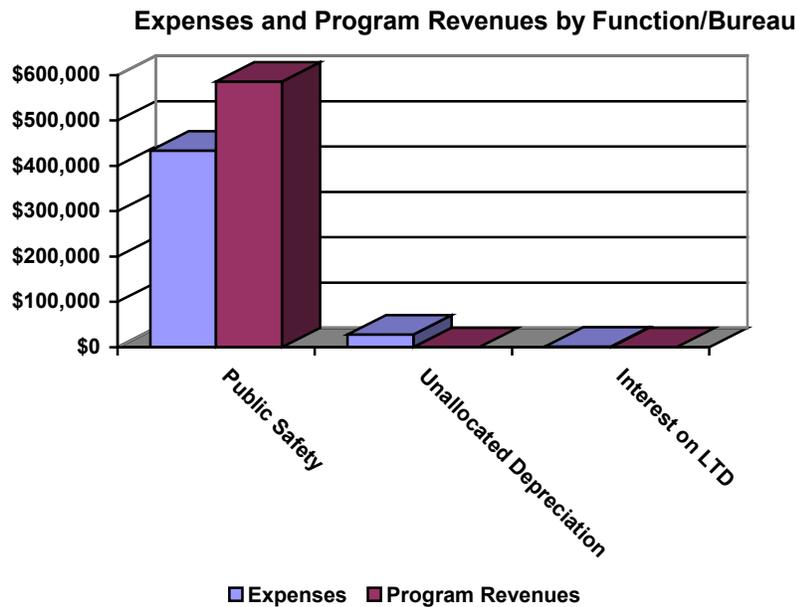
A breakdown of the revenues received by GIVES' governmental activities is as follows

### Revenues by Source - Governmental Activities



Expenses totaled \$463,438, including current year depreciation of \$28,359 and interest on long-term debt of \$1,556. As an ambulance district, the only function GIVES provides is the public safety function. These expenses of GIVES were offset by program revenues (service charges and grants) totaling \$585,643 (see above), leaving a net revenue (cost) to citizens of GIVES of \$122,205.

A graph comparing the expenses with the program revenue generated is presented below.



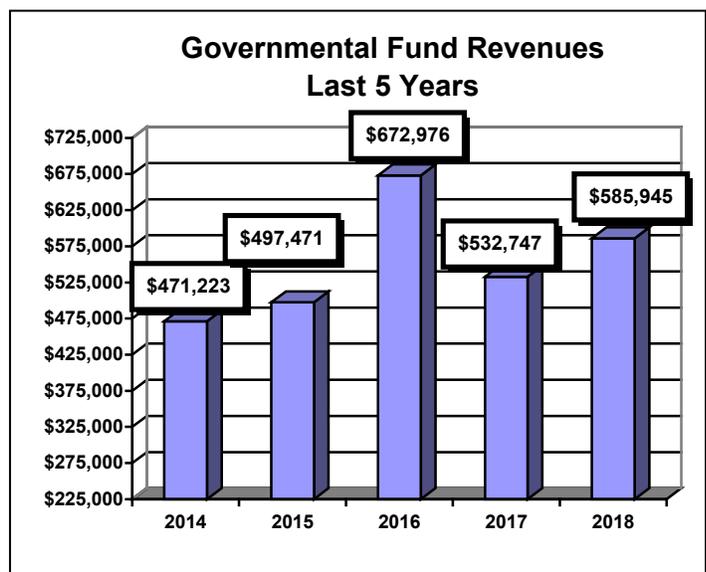
**FINANCIAL ANALYSIS OF THE GOVERNMENT’S FUNDS**

As noted earlier, GIVES uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental Funds.** The focus of GIVES’ “governmental funds” is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing GIVES’ financing requirements. In particular, *unreserved fund balance* may serve as a useful measure of a government’s net resources available for spending at the end of the fiscal year.

As of December 31, 2018, GIVES’ governmental fund (i.e., the General Fund) reported ending fund balance of \$209,504, an increase of \$53,729 or 34.5 percent in comparison over the prior year. Approximately \$209,504 or 100.0 percent of this total constitutes *unassigned fund balance*, which is available for spending at the government’s discretion.

As noted above, the governmental funds include the general operating funds of GIVES (i.e., the General Fund). Overall, as the graph shows, revenues of the Governmental Funds increased from 2017. Because of the small size of the operating fund, operating and capital grants can create large swings in revenues when recognized. As discussed above, most of the increase was caused by an increase in the millage allocation of about \$50,000 over the prior year.



As a measure of the General fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned and total fund balance represents 39.4 percent of total general fund expenditures. This is an increase from 2017, when unassigned fund balance represented 31.7 percent of general fund expenditures.

The fund balance of GIVES' General fund increased by \$53,729 during the current fiscal year. Key factors in this change are as follows:

- The General Fund's revenues totaled \$585,945, while expenditures totaled 532,216, and other financing sources totaled \$-0-.
- Revenues were made up of:
  - Intergovernmental revenues are made up of an intergovernmental allocation (i.e., Property taxes) from the Parish of Jefferson totaling \$522,362. This amount is \$56,366 or 12.1 percent higher than 2017. The number of mills levied on the 2017 tax roll was 10.99; however, the Parish had accumulated surplus funds from the prior year and increased the distribution by \$50,000 in the middle of the year.
  - Service charges totaled \$63,281, made up of collections from insurance carriers for reimbursable costs. GIVES contracts with a private company to bill for ambulance services. A decrease of \$(3,306) resulted from a decrease in billings/collections.
- Expenditures totaled \$532,216, which is an increase of \$40,995 or 8.3 percent:
  - General and administrative costs totaled \$407,790. This category decreased \$(51,825) from last year due to: 1) a decrease of \$(28,679) in payments under the cooperative agreement with the GIVFD to provide administrative services, 2) a decrease of \$(25,222) in insurance premiums (due to a switch in insurance agents/brokers), 3) a decrease of \$(1,454) in billing services (related to the drop in service charges collected, and 4) an increase of \$2,750 in accounting and auditing fees (to account for the cost of the newly implemented AUPs). There were also several other cutbacks and decreases in most other line-items in this category.
  - Emergency training and supplies totaled \$16,334 – medical supplies were \$11,640, uniforms and shirts were \$256, training and educational costs were \$1,344, and gas and oil for the ambulances totaled \$3,094. This category decreased \$(855) or 5.0 percent due to a decrease in medical supplies purchased and a drop in gas prices.
  - Repairs and maintenance totaled \$9,399, all of which was spent on repairs to the ambulances.
  - Capital outlay totaled \$86,119, which included purchases of equipment (five new laptops, two new defibrillators, and an auto-pulse resuscitation system).
  - Debt service totaled \$12,574, as principal and interest payments were made on the loan for the new ambulance.

### ***CAPITAL ASSET AND DEBT ADMINISTRATION***

**Capital Assets.** GIVES' investment in capital assets for its governmental activities as of December 31, 2018 amounts to \$219,880 (net of accumulated depreciation). This investment in capital assets includes land, buildings, furniture and fixtures, heavy equipment, and vehicles. GIVES' investment in capital assets increased by \$65,778 or 45.5 percent this year.

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

- \$86,119 was spent on new capital assets in 2018 (five new laptops, two new defibrillators, and an auto-pulse resuscitation system).
- \$28,359 was recognized as depreciation expense.

**GRAND ISLE EMERGENCY SERVICES, INC. (GIVES)**  
**CAPITAL ASSETS**  
(NET OF DEPRECIATION)

	<b>Governmental Activities</b>	<b>Governmental Activities</b>
	<b>2018</b>	<b>2017</b>
Land	\$ -	\$ -
Buildings	1,325	1,725
Furniture and fixtures	728	1,108
Heavy Equipment	98,855	18,323
Vehicles	142,519	164,511
Total	\$ 243,427	\$ 185,667
Less capital-related debt	23,547	34,565
Net investment in capital assets	\$ 219,880	\$ 151,102

Additional information on GIVES’ capital assets can be found in Note D.2 on page 25.

**Long-term Debt.** At the end of 2018, GIVES had total outstanding debt of \$23,547. This amount is the balance on the 2016 loan entered into to finance the purchase of a new ambulance. \$57,489 was originally borrowed. For 2018, a payment of \$12,574 was made (\$11,018 of principal and \$1,556 of interest). Additional information on the outstanding debt can be found in Note D.4 on page 26.

***ECONOMIC FACTORS AND NEXT YEAR’S RATES***

- The unemployment rate for the Parish of Jefferson is currently 3.7 percent, which is 0.1 percent higher than it was a year ago. In the coastal community of Grand Isle, which is heavily dependent on offshore oil and commercial fisheries (primarily shrimping), the rate is typically much higher.
- Inflationary trends in the region compare favorably to national indices.
- The ad valorem millage rate levied for the 2018 (next year’s) tax roll was 10.99 mills, which is the same as the 2017 tax roll. Thus, revenues are expected to remain about the same.

***REQUESTS FOR INFORMATION***

This financial report is designed to provide a general overview of GIVES’ finances for all those with an interest in the government’s finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Grand Isle Emergency Services, Inc., President, PO Box 1035, Grand Isle, Louisiana 70358.

## **BASIC FINANCIAL STATEMENTS**

GRAND ISLE VOLUNTEER EMERGENCY SERVICES, INC. (GIVES)  
d/b/a  
AMBULANCE SERVICE DISTRICT NO. 2 OF JEFFERSON PARISH

STATEMENT OF NET POSITION  
DECEMBER 31, 2018

	<u>GOVERNMENTAL ACTIVITIES</u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 295,648
Receivables (net of allowance for uncollectibles)	525
Capital assets (net of accumulated depreciation)	
Land	-
Buildings	1,325
Furniture and fixtures	728
Heavy equipment	98,855
Vehicles	142,519
Infrastructure	-
Construction in progress	-
<b>TOTAL ASSETS</b>	<u>539,600</u>
<b>LIABILITIES</b>	
Accounts payable and other current liabilities	86,669
Noncurrent liabilities:	
Due within one year	11,514
Due in more than one year	12,033
<b>TOTAL LIABILITIES</b>	<u>110,216</u>
<b>NET POSITION</b>	
Net investment in capital assets	219,880
Restricted for:	
Debt service	-
Other	-
Unrestricted	209,504
<b>TOTAL NET POSITION</b>	<u>\$ 429,384</u>

The accompanying notes are an integral part of this statement.

GRAND ISLE VOLUNTEER EMERGENCY SERVICES, INC. (GIVES)  
d/b/a  
AMBULANCE SERVICE DISTRICT NO. 2 OF JEFFERSON PARISH

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2018

FUNCTION	EXPENSES	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS PRIMARY GOVERNMENT GOVERNMENTAL ACTIVITIES
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	
Primary Government Governmental Activities:					
Public Safety	\$ 433,523	\$ 63,281	\$ 522,362	\$ -	\$ 152,120
Unallocated depreciation expense	28,359	-	-	-	(28,359)
Interest on long-term debt	1,556	-	-	-	(1,556)
Total governmental activities	<u>\$ 463,438</u>	<u>\$ 63,281</u>	<u>\$ 522,362</u>	<u>\$ -</u>	<u>122,205</u>
<b>GENERAL REVENUES:</b>					
					302
					-
					-
					-
<b>TRANSFERS IN (OUT)</b>					-
<b>TOTAL GENERAL REVENUE AND TRANSFERS</b>					<u>302</u>
<b>CHANGE IN NET POSITION</b>					122,507
<b>NET POSITION</b>					
					306,877
					<u>\$ 429,384</u>

The accompanying notes are an integral part of this statement.

**GRAND ISLE VOLUNTEER EMERGENCY SERVICES, INC. (GIVES)**  
d/b/a  
**AMBULANCE SERVICE DISTRICT NO. 2 OF JEFFERSON PARISH**

**GOVERNMENTAL FUNDS**  
**BALANCE SHEET**  
**DECEMBER 31, 2018**

	<u>General Fund</u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 295,648
Accounts Receivable	525
<b>TOTAL ASSETS</b>	<u>\$ 296,173</u>
<b>LIABILITIES AND FUND BALANCE</b>	
Liabilities:	
Accounts payable	\$ 86,669
Total Liabilities	<u>86,669</u>
Fund Balances:	
Nonspendable	-
Restricted	-
Committed	-
Assigned	-
Unassigned	209,504
Total Fund Balance	<u>209,504</u>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<u>\$ 296,173</u>

The accompanying notes are an integral part of this statement.

**GRAND ISLE VOLUNTEER EMERGENCY SERVICES, INC. (GIVES)**  
d/b/a  
**AMBULANCE SERVICE DISTRICT NO. 2 OF JEFFERSON PARISH**

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION  
FOR THE YEAR ENDED DECEMBER 31, 2018**

Amounts reported for governmental activities in the Statement of Net Position (page 12) are different because:

Total Fund Balances at December 31, 2018 - Governmental Funds (page 14)	\$ 209,504
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets is \$524,945 and the accumulated depreciation is \$281,518.	243,427
Long-term liabilities, including compensated absences, are not due and payable in the current period and therefore are not reported in the funds. Long-term liabilities at year-end consist of:	
Notes Payable	(23,547)
Total Net Position of Governmental Activities at December 31, 2018 (page 12)	<u>\$ 429,384</u>

The accompanying notes are an integral part of this statement.

**GRAND ISLE VOLUNTEER EMERGENCY SERVICES, INC. (GIVES)**  
d/b/a  
**AMBULANCE SERVICE DISTRICT NO. 2 OF JEFFERSON PARISH**

**GOVERNMENTAL FUNDS**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

	<u>General Fund</u>
<b>REVENUES</b>	
Intergovernmental	\$ 522,362
Service charges and reimbursements	63,281
Donations and gifts	-
Miscellaneous	302
<b>TOTAL REVENUES</b>	<u>585,945</u>
<b>EXPENDITURES</b>	
Current	
Public Safety	
Personnel and related costs	-
General and administrative costs	407,790
Emergency training and supplies	16,334
Repairs and maintenance	9,399
Miscellaneous	-
Capital outlay	86,119
Debt Service	
Principal	11,018
Interest	1,556
<b>TOTAL EXPENDITURES</b>	<u>532,216</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	53,729
<b>OTHER FINANCING SOURCES</b>	
Loan proceeds	-
<b>EXCESS (DEFICIENCY) OF REVENUES AND</b>	
<b>    OTHER FINANCING SOURCES OVER EXPENDITURES</b>	<u>53,729</u>
<b>FUND BALANCE</b>	
Beginning of year	155,775
End of year	<u>\$ 209,504</u>

The accompanying notes are an integral part of this statement.

**GRAND ISLE VOLUNTEER EMERGENCY SERVICES, INC. (GIVES)**  
**d/b/a**  
**AMBULANCE SERVICE DISTRICT NO. 2 OF JEFFERSON PARISH**

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO  
THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2018**

Amounts reported for governmental activities in the Statement of Activities (page 13) are different because:

Net change in fund balances - total governmental funds (page 16)	\$	53,729
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Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	57,760
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The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase net assets.	-
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The issuance of long-term debt (e.g., notes payable, leases) provides current financial resources to the governmental funds, while the repayment of the principal on long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. This amount is the net effect of these differences in the treatment of long-term debt and related items. Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.	
Payment on loan on ambulance	11,018

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 governmental funds.	-
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Change in net position of governmental activities (page 13)	<u>\$</u>	<u>122,507</u>
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**GRAND ISLE VOLUNTEER EMERGENCY SERVICES, INC. (GIVES)**  
**d/b/a**  
**AMBULANCE DISTRICT NO. 2 OF JEFFERSON PARISH**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2018**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the Grand Isle Emergency Services, Inc. (GIVES), a non-profit entity d/b/a Ambulance District No. 2 of Jefferson Parish, have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units under the legal premise that GIVES is a "quasi-public" corporation. Quasi-public corporations are non-profit or private companies who are created to perform a public service and which receive the majority of their funding from public funds (i.e., taxes, grants, etc.). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of GIVES' accounting policies are described below.

1. Reporting Entity

GASB Codification Section 2100 establishes criteria for determining the governmental reporting entity and its component units. Component units are defined as legally separate organizations for which the elected officials of a primary government are financially accountable. The criteria used in determining whether financial accountability exists include the appointment of a voting majority of an organization's governing board, the ability of the primary government to impose its will on that organization or whether there is a potential for the organization to provide specific financial benefits or burdens to the primary government. Fiscal dependency may also play a part in determining financial accountability. In addition, a component unit can be another organization for which the nature and significance of its relationship with a primary government is such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Ambulance District No. 2 of Jefferson Parish (the "District") was created by Ordinance No. 18001 in 1990 to provide ambulance services to the citizens of the Town of Grand Isle and the surrounding area. The District is currently funded by a 10 mill ad valorem tax levied by the District via the Parish Council and is governed by the same Council that governs the Parish. As such, the District is reported as a component unit within the Parish's financial statements.

Under a cooperative endeavor agreement, the daily operations of the District are contracted out to Grand Isle Volunteer Emergency Services, Inc. (GIVES). GIVES was incorporated as a non-profit service corporation under Section 501(c)(3) of the Internal Revenue Code. GIVES has been classified as an entity that is not a private foundation within the meaning of Section 509(a) and qualifies for deductible contributions as provide in Section 170(b)(1)(A)(vi). GIVES is governed by a President and a Board of Directors which are elected by the membership. The accompanying statements report transactions related only to those of GIVES.

**GRAND ISLE VOLUNTEER EMERGENCY SERVICES, INC. (GIVES)**  
**d/b/a**  
**AMBULANCE DISTRICT NO. 2 OF JEFFERSON PARISH**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**December 31, 2018**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

2. Government-wide and Fund Financial Statements

Government-wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of GIVES. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Because of the nature of GIVES' operations, GIVES reports only governmental activities.

The statement of activities demonstrates the degree to which the direct expense of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Fund Financial Statements

Funds are used by GIVES to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. The funds of GIVES are classified into the "governmental" category. The category, in turn, is divided into separate "fund types".

Governmental funds are used to account for all or most of a government's general activities, including the collection and disbursement of earmarked monies (special revenue funds), the acquisition or construction of general fixed assets (capital project funds), and the servicing of general long-term debt (debt service funds). The General Fund is used to account for all financial activities of the general government not accounted for in some other fund.

**GRAND ISLE VOLUNTEER EMERGENCY SERVICES, INC. (GIVES)**  
d/b/a  
**AMBULANCE DISTRICT NO. 2 OF JEFFERSON PARISH**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**December 31, 2018**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

GIVES reports the following major governmental funds:

The *General Fund* is the general operating fund of GIVES. It is used to account for all financial resources and expenditures. It includes the activity of the "private" account, as well as the "public funds" account.

3. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Governmental fund financial statements are reported using a *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Intergovernmental revenues received from the Parish in connection with the cooperative endeavor agreement are recognized in the year to be benefitted. All other service charges and intergovernmental revenues are recognized as received. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recognized as expenditures only when payment is due.

4. Budgets

As a quasi-public corporation, GIVES is not required to adopt a budget, therefore, a budget to actual statement is not presented in the accompanying financial statements. An informal budget is adopted for internal purposes for the General Fund.

5. Assets, Liabilities, and Net Position or Equity

A. *Cash and Investments*

For reporting purposes, cash and cash equivalents includes amounts in demand deposits, time deposits, and certificates of deposit. This includes the balances in the "private" account, as well as the "public funds" account.

Investments, if any, are stated at fair value, except for investments in government securities with maturities less than 1 year, which are stated at cost or amortized cost.

**GRAND ISLE VOLUNTEER EMERGENCY SERVICES, INC. (GIVES)**  
**d/b/a**  
**AMBULANCE DISTRICT NO. 2 OF JEFFERSON PARISH**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**December 31, 2018**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

*B. Inventories*

The cost of materials and supplies acquired by GIVES are recorded as expenditures at the time of purchase. It is management's opinion that the inventory of such materials and supplies at December 31, 2018 would not be material to the financial statements.

*C. Capital Assets*

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental activities column in the government-wide financial statements. Capital assets are defined by GIVES as assets with an initial, individual cost of more than \$250 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed and are included in construction in progress.

Property, plant, equipment, and infrastructure are depreciated using the straight-line method (with a mid-year convention) over the following estimated useful lives:

<u>Asset Category</u>	<u>Useful Life in Years</u>
Buildings	20
Furniture and fixtures	3 to 5
Heavy equipment	5
Vehicles	5 to 10
Infrastructure (if any)	40

*D. Fund Equity*

In accordance with Government Accounting Standards Board (GASB) Codification Section 1800.142-162, fund balances of the governmental fund types are categorized into one of five categories - Non-spendable, Restricted, Committed, Assigned, or Unassigned.

**GRAND ISLE VOLUNTEER EMERGENCY SERVICES, INC. (GIVES)**  
**d/b/a**  
**AMBULANCE DISTRICT NO. 2 OF JEFFERSON PARISH**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**December 31, 2018**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

For *assigned fund balances*, the President and/or Fire Chief may assign amounts to a specific purpose via internal memorandum, with the board's approval.

While GIVES has not established a policy for its use of unrestricted fund balance, it does consider that committed amounts would be reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

6. Use of Estimates

Preparation of financial statements in accordance with generally accepted accounting principles requires GIVES to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses/expenditures. Actual results could differ from the estimates that were used.

7. Subsequent Events

GIVES has evaluated subsequent events through June 27, 2019, the date the financial statements were available to be issued.

8. Expenses Paid by Others

The full-time firefighters of GIVES that meet certain qualifications, receive supplemental pay from the State of Louisiana under the provisions of LRS 33:2202. The amount of pay received as these supplemental state funds are paid directly to the firefighters and are not reflected in these statements.

9. Donated Services, Facilities, or Supplies

No amounts are reflected in the financial statements for donated services. Donated services include a substantial number of hours from volunteer firefighters/paramedics. These amounts are not readily determinable.

**GRAND ISLE VOLUNTEER EMERGENCY SERVICES, INC. (GIVES)**  
**d/b/a**  
**AMBULANCE DISTRICT NO. 2 OF JEFFERSON PARISH**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**December 31, 2018**

**NOTE B - RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

1. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-wide Statement of Activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net changes in fund balances - total governmental funds* and *changes in net position of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that “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.” The details of this \$57,760 difference are as follows:

Capital Outlay	\$ 86,119	
Depreciation expense	<u>(28,359)</u>	
Net adjustment to increase <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net position - governmental activities</i>	<u>\$ 57,760</u>	

**NOTE C - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

1. Compliance with Cooperative Endeavor Agreement

As a quasi-public corporation, GIVES is not subject to all of the general statutes governing political subdivisions and other governments within the State of Louisiana. Instead, GIVES must comply with the terms and conditions of the cooperative endeavor agreement it has with the Parish of Jefferson to operate the Ambulance District. As of December 31, 2018, GIVES was in compliance with all of the significant conditions of the agreement.

**NOTE D - DETAILED NOTES ON ALL ACTIVITIES AND FUNDS**

1. Deposits and Investments

The carrying amount of the GIVES' deposits at December 31, 2018 was \$295,648 and the bank balance was \$366,911. \$250,000 of the bank balances were covered by FDIC, leaving \$116,911 uninsured and uncollateralized at year end.

**GRAND ISLE VOLUNTEER EMERGENCY SERVICES, INC. (GIVES)**  
**d/b/a**  
**AMBULANCE DISTRICT NO. 2 OF JEFFERSON PARISH**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**December 31, 2018**

**NOTE D - DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)**

2. Capital Assets

The following is a summary of changes in the general fixed assets account group during the fiscal year:

	<b>Balance January 1, 2018</b>	<b>Additions</b>	<b>Deletions</b>	<b>Transfers</b>	<b>Balance December 31, 2018</b>
<b>Governmental Activities:</b>					
Capital assets, not being depreciated:					
Land	\$ -	\$ -	\$ -	\$ -	\$ -
Construction in progress	-	-	-	-	-
Total capital assets, not being depreciated	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Capital assets, being depreciated					
Buildings	\$ 8,000	\$ -	\$ -	\$ -	\$ 8,000
Furniture and fixtures	6,814	-	-	-	6,814
Heavy equipment	54,481	86,119	(13,061)	-	127,539
Vehicles	382,592	-	-	-	382,592
Total capital assets, being depreciated	<u>451,887</u>	<u>86,119</u>	<u>(13,061)</u>	<u>-</u>	<u>524,945</u>
Less accumulated depreciation:					
Buildings	(6,275)	(400)	-	-	(6,675)
Furniture and fixtures	(5,706)	(380)	-	-	(6,086)
Heavy equipment	(36,158)	(5,587)	13,061	-	(28,684)
Vehicles	(218,081)	(21,992)	-	-	(240,073)
Total accumulated depreciation	<u>(266,220)</u>	<u>(28,359)</u>	<u>13,061</u>	<u>-</u>	<u>(281,518)</u>
Capital assets being depreciated, net of accumulated depreciation	<u>\$ 185,667</u>	<u>\$ 57,760</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 243,427</u>
<b>Total governmental activities, capital assets, net</b>	<u>\$ 185,667</u>	<u>\$ 57,760</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 243,427</u>

**GRAND ISLE VOLUNTEER EMERGENCY SERVICES, INC. (GIVES)**  
**d/b/a**  
**AMBULANCE DISTRICT NO. 2 OF JEFFERSON PARISH**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**December 31, 2018**

**NOTE D - DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)**

3. Contracted Services

GIVES has a cooperative agreement with the Grand Isle Volunteer Fire Department (GIVFD), whereby GIVFD provides all administrative and accounting services for GIVES. In addition, in an effort to save money by consolidating operations, the employees of GIVES were transferred to GIVFD. Now, GIVFD employees are cross-trained and are responsible for responding to both fires and emergencies. In return, GIVES pays up to 85.0 percent of its millage allocation over to GIVFD to cover these costs. During 2018, GIVES made payments totaling \$367,418 to GIVFD under this arrangement. The total transfer amounted to 70.3 percent of its 2018 millage receipts.

At year end, GIVES owes GIVFD \$86,375, which includes \$68,181 of current year CEA payments plus \$18,194 of prior year costs. These amounts are included in accounts payable.

4. Long-term Debt

**Loan Agreement**

Ambulance Loan

In 2016, GIVES entered into loan agreement for financing the acquisition of a new ambulance. This loan agreement bears an interest rate of 4.50 percent and is being paid over a five (5) year period. The total purchase of the vehicle was \$117,489 (\$115,000 base price plus \$2,489 for tax, title, and license). A down payment of \$60,000 was made, leaving a balance of \$57,489 to be financed. During 2018, GIVES made a payment of \$12,574 on this lease (principal of \$11,018 and interest of \$1,556). The balance of \$23,547 is included in the noncurrent liabilities on the Statement of Net Position.

**Debt Service to Maturity**

The following is a schedule of the future minimum loan payments under this agreement at December 31, 2018.

Year Ended December 31,	Ambulance Loan		
	Principal	Interest	Total
2019	11,514	1,060	12,574
2020	12,033	542	12,575
Total Minimum Loan Payments	\$ 23,547	\$ 1,602	\$ 25,149

**GRAND ISLE VOLUNTEER EMERGENCY SERVICES, INC. (GIVES)**  
**d/b/a**  
**AMBULANCE DISTRICT NO. 2 OF JEFFERSON PARISH**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**December 31, 2018**

**NOTE D - DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)**

**Changes in Long-Term Debt**

The following is a summary of the changes in long-term debt related to governmental activities for the fiscal year ended December 31, 2018:

<b>Type of Debt</b>	<b>Balance December 31,</b>			<b>Balance December 31, Due Within</b>		
	<b>2017</b>	<b>Additions</b>	<b>Reductions</b>	<b>2018</b>	<b>One Year</b>	
Ambulance Loan	\$ 34,565	\$ -	\$ (11,018)	\$ 23,547	\$	11,514
	<u>\$ 34,565</u>	<u>\$ -</u>	<u>\$ (11,018)</u>	<u>\$ 23,547</u>	<u>\$</u>	<u>11,514</u>

The amount shown on the Statement of Net Position as due within one year is \$11,514. The balance of \$12,033 is shown as due in more than one year.

5. Fund Balance Components

Per Note A.5.D., GIVES follows the requirements of Government Accounting Standards Board (GASB) Codification Section 1800-142-162. In accordance with this standard, in the fund financial statements, fund balances of the governmental fund types are categorized into one of five categories - Non-spendable, Restricted, Committed, Assigned, or Unassigned.

GIVES is reporting \$209,504 is shown as *unassigned* fund balance. These funds are available for spending in the future for any purpose.

**NOTE E - ECONOMIC DEPENDENCE**

In 1995, the public approved a 10 mill ad valorem tax to be levied in lieu of the Parish imposed service charge that was in effect. These taxes would provide the funding for Ambulance District No. 2 of Jefferson Parish. In January 1996, the Parish and GIVES entered into a cooperative endeavor agreement whereby GIVES, rather than the Town of Grand Isle, would be responsible for the day-to-day operations of GIVES. In return, the Parish would remit to GIVES, on a monthly basis, 1/12th of the currently budgeted revenues expected to be collected from the 10 mill tax. The contract was for the period January 1, 1996 to December 31, 2014. This agreement has not yet been renewed but is working on a month-to-month basis. 10.99 mills were levied on the 2017 tax rolls (based on a 10 year renewal of this tax in May 2014 and a roll-forward based on taxable assessments) and the remittance during 2018 totaled \$522,362. This amount equaled 89.1 percent of GIVES' total revenues.

Additionally, the Grand Isle Volunteer Fire Department (GIVFD) provides GIVES with the use of office space and some equipment at no cost. GIVES also now relies upon GIVFD for labor - See Note D.3.

**GRAND ISLE VOLUNTEER EMERGENCY SERVICES, INC. (GIVES)**  
**d/b/a**  
**AMBULANCE DISTRICT NO. 2 OF JEFFERSON PARISH**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**December 31, 2018**

**NOTE F - COMMITMENTS AND CONTINGENCIES**

1. Risk Management

GIVES is exposed to various risks of loss resulting from personal injury; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. To protect against these risks of loss, GIVES purchases various types of insurance from commercial carriers.

Under these policies, general liability coverage is provided for up to a maximum of \$1,000,000 per occurrence (\$2,000,000 in the aggregate). Automobile liability coverage is provided for up to \$1,000,000. In each policy, GIVES is responsible for the deductible.

2. Litigation

There is no litigation pending against GIVES at December 31, 2018.

OTHER SUPPLEMENTAL INFORMATION

**GRAND ISLE VOLUNTEER EMERGENCY SERVICES, INC. (GIVES)**  
**d/b/a**  
**AMBULANCE SERVICE DISTRICT NO. 2 OF JEFFERSON PARISH**

**GOVERNMENTAL FUNDS - GENERAL FUND**  
**SCHEDULE OF REVENUES**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

	<u>General Fund</u>
Intergovernmental	
Jefferson Parish contract:	
Direct payments - ad valorem taxes	\$ 522,362
Direct payments - BP settlement funds	-
	<u>522,362</u>
Service charges and reimbursements	
Reimbursements from insurance companies and citizens	63,281
	<u>63,281</u>
Donations and gifts	
Others	-
	<u>-</u>
Miscellaneous	
Interest	302
Sales of equipment	-
Other	-
	<u>302</u>
<b>TOTAL REVENUES</b>	<u><u>\$ 585,945</u></u>

**GRAND ISLE VOLUNTEER EMERGENCY SERVICES, INC. (GIVES)**  
**d/b/a**  
**AMBULANCE SERVICE DISTRICT NO. 2 OF JEFFERSON PARISH**

**GOVERNMENTAL FUNDS - GENERAL FUND**  
**SCHEDULE OF EXPENDITURES**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

	<u>General Fund</u>
<b>Public Safety</b>	
Current	
Personnel and related costs	
Salaries	\$ -
Boat Medic details	-
	<u>-</u>
General and administrative costs	
Alarm monitor	396
Bank charges	629
Billing services	6,716
Bookkeeping and auditing	5,750
Contracted services - GIVFD Admin	367,418
Groceries and supplies - station	-
Insurance - auto/general	21,665
Licenses and certificates	2,350
Miscellaneous	-
Office supplies	654
Postage	92
Rentals - equipment	941
Utilities - Phones	1,008
Utilities - Electricity	171
	<u>407,790</u>
Emergency training and supplies	
Medical supplies	11,640
Uniforms and shirts	256
Training and educational	1,344
Gas and oil	3,094
	<u>16,334</u>
Repairs and maintenance	
R & M - buildings and equipment	-
R & M - vehicles	9,399
	<u>9,399</u>
Miscellaneous	
Gifts, flowers, and donations	-
	<u>-</u>
Capital outlay	
Vehicles and rescue equipment	-
Equipment	86,119
	<u>86,119</u>
TOTAL CURRENT	<u>519,642</u>
Debt Service	
Principal	11,018
Interest	1,556
TOTAL DEBT SERVICE	<u>12,574</u>
TOTAL EXPENDITURES	<u>\$ 532,216</u>

**GRAND ISLE VOLUNTEER EMERGENCY SERVICES, INC. (GIVES)**  
**d/b/a**  
**AMBULANCE SERVICE DISTRICT NO. 2 OF JEFFERSON PARISH**

**SCHEDULE OF COMPENSATION AND OTHER PAYMENTS**  
**TO AGENCY HEAD OR CHIEF EXECUTIVE OFFICER**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

**Agency Head Name/Title:** Joel Bradberry, Fire Chief

<b>Purpose</b>	<b>Amount</b>
Salary	\$ - (1)
State Supplemental Pay	-
Benefits - Insurance (Group Health)	-
Benefits - Retirement	-
Benefits - Other	-
Car Allowance	-
Vehicle Provided by Agency	-
Per Diem	-
Reimbursements	-
Travel	-
Registration Fees	-
Conference Travel	-
Continuing Professional Education Fees	-
Housing	-
Unvouchered Expenses	-
Special Meals	-

**Notes to Schedule:**

(1) GIVES' Chief and EMS employees are employees of the Grand Isle Volunteer Fire Department. These employees serve "dual" roles and work for both GIVES and the fire department. The fire department acts as the "paymaster" for all employees and records the salaries and benefits as expenditures on its books. As such, their salaries and benefits are paid for by the fire department and GIVES pays a portion of its dedicated ad valorem tax allocation to the fire department to help pay for those services. See the Grand Isle Volunteer Fire Department audit report for a schedule on agency head compensation.

## **COMPLIANCE SECTION**

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***Paul C. Rivera, CPA***

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

To the President and Board of Directors  
Grand Isle Volunteer Emergency Services, Inc.  
Grand Isle, Louisiana

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund (i.e., the General Fund) of the Grand Isle Emergency Services, Inc. (GIVES), a non-profit entity d/b/a Ambulance District No. 2 of Jefferson Parish, as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise GIVES' basic financial statements, and have issued my report thereon dated June 27, 2019.

**INTERNAL CONTROL OVER FINANCIAL REPORTING**

In planning and performing my audit, I considered GIVES' internal control over financial reporting (internal control) to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing my opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of GIVES' internal control. Accordingly, I do not express an opinion on the effectiveness of GIVES' internal control

My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying Schedule of Findings and Responses, I did identify certain deficiencies in internal control that I consider to be material weaknesses and significant deficiencies.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected in a timely basis. I consider the deficiency described in the accompanying Schedule of Findings and Responses as item SD 18-01 to be a material weakness.

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. I consider the deficiencies described in the accompanying Schedule of Findings and Responses as items SD 18-02 and SD 18-03 to be significant deficiencies.

### **COMPLIANCE AND OTHER MATTERS**

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

### **GIVES' RESPONSE TO FINDINGS**

GIVES' responses to the findings identified in my audit is described in the accompanying Schedule of Findings and Responses. GIVES' responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, I express no opinion on them.

### **PURPOSE OF THIS REPORT**

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



June 27, 2019  
Marrero, Louisiana

**GRAND ISLE VOLUNTEER EMERGENCY SERVICES, INC. (GIVES)  
D/B/A  
AMBULANCE DISTRICT NO. 2 OF JEFFERSON PARISH**

**SCHEDULE OF FINDINGS AND RESPONSES  
For the Year Ended December 31, 2018**

I have audited the financial statements of the Grand Isle Volunteer Emergency Services, Inc. (GIVES) as of and for the year ended December 31, 2018, and have issued my report thereon dated June 27, 2019. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. My audit of the financial statements as of December 31, 2018 resulted in an unqualified opinion.

**SECTION I - SUMMARY OF AUDITOR'S RESULTS**

- A. The auditor's report expresses an unqualified opinion on the financial statements of GIVES.
- B. Report on Internal Control and Compliance Material to the Financial Statements
  - Internal Control:
    - Significant Deficiencies were noted (see below).
    - One Material Weakness was noted (see below).
  - Compliance:
    - No instances of noncompliance material to the financial statements were noted.
- C. Federal Awards - not applicable
- D. Identification of Major Programs - not applicable

**SECTION II - FINANCIAL STATEMENT FINDINGS**

**INTERNAL CONTROL**

**Material Weaknesses**

**SD Comment # 18-01 - Inadequate Segregation of Duties**

Condition and Criteria - I noted that the size of GIVES' operations is too small to provide for an adequate segregation of duties. GIVES' bookkeeper/secretary is charged with most of the responsibilities relating to the cash receipts, cash disbursement, and financial reporting cycles. GIVES does, however, have various controls in place which tend to mitigate this problem, including (1) having the President/Chief review all bank reconciliations, (2) requiring dual signatures on all checks, and (3) requiring the presentation of actual revenue and expense reports on a monthly basis.

GRAND ISLE VOLUNTEER EMERGENCY SERVICES, INC. (GIVES)  
D/B/A  
AMBULANCE DISTRICT NO. 2 OF JEFFERSON PARISH

SCHEDULE OF FINDINGS AND RESPONSES (CONTINUED)  
For the Year Ended December 31, 2018

Cause - Recently issued Statement of Auditing Standards (SAS) 115 requires that I report the above condition as a control deficiency. The SAS does not provide exceptions to reporting deficiencies that may be partially mitigated or deficiencies for which the remedy would be cost prohibitive or otherwise impractical.

Recommendation - Employing additional controls may not be cost beneficial, however, the Board should remain cognizant of the lack of segregation of duties.

Management's Response - We are aware of the condition, however, at this point we are not in the financial position of addressing the problem. The Board is aware of the condition and will continue to monitor the financial activity in a timely manner.

**Significant Deficiencies**

**SD Comment # 18-02 - Preparation of Financial Statements by Auditor**

Condition and Criteria - GIVES does not have controls in place for proper oversight of its financial reporting and for the preparation of financial statements in accordance with generally accepted accounting principle. As is common in small organizations, GIVES has chosen to engage the auditor to prepare its annual financial statements. This condition is intentional by management, along with the cost effectiveness of acquiring the ability to prepare the financial statements in accordance with generally accepted accounting principles.

Cause - Recently issued Statement of Auditing Standards (SAS) 115 requires that I report the above condition as a control deficiency. The SAS does not provide exceptions to reporting deficiencies that are mitigated with non-audit services rendered by the auditor or deficiencies for which the remedy would be cost prohibitive or otherwise impractical.

Recommendation - As mentioned, whether or not it would be cost effective to cure a control deficiency is not a factor in applying SAS 115's reporting requirements. Because prudent management requires that the potential benefit from an internal control must exceed its cost, it may not be practical to correct all the deficiencies noted under SAS 115. In this case, I do not believe that curing the significant deficiency described in this finding would be cost effective or practical and accordingly, I do not believe any corrective action is necessary.

Management's Response - GIVES' staff is familiar with the day-to-day accounting requirements; however, due to limited staffing and funding, we do not consider it practical to provide sufficient training to our staff in order to eliminate this condition and can only continue to rely on the auditor to prepare the financial statements at this time.

GRAND ISLE VOLUNTEER EMERGENCY SERVICES, INC. (GIVES)  
D/B/A  
AMBULANCE DISTRICT NO. 2 OF JEFFERSON PARISH

SCHEDULE OF FINDINGS AND RESPONSES (CONTINUED)  
For the Year Ended December 31, 2018

**SD Comment # 18-03 – Maintaining Proper Fixed Asset Records**

Condition and Criteria – GIVES does not maintain a formal fixed assets ledger. Instead, it has chosen to utilize an excel spreadsheet that was developed by the external auditor to maintain a schedule of general fixed assets, which is adjusted each year during the audit. By not maintaining a true general ledger on fixed assets, GIVES must wait until year end to calculate and post depreciation on fixed assets. Additions and disposals of fixed assets are also not recorded until year-end.

Cause - GIVES' software system (QuickBooks) was not set up to record and depreciate fixed assets.

Recommendation - GIVES should work towards entering the records relating to the fixed assets into the QuickBooks software system. This would allow for the timely capitalization and depreciation of all fixed assets.

Management's Response - We might look into doing this for the next fiscal year audit. Since we record our activity on a "cash-basis" of accounting, we do not see this as a must and are satisfied with relying on the year-end audit adjustments to reflect capitalization and depreciation activity.

**REPORTABLE INSTANCES OF NONCOMPLIANCE**

Not Applicable

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

Not Applicable

**GRAND ISLE VOLUNTEER EMERGENCY SERVICES, INC. (GIVES)  
D/B/A  
AMBULANCE DISTRICT NO. 2 OF JEFFERSON PARISH**

**SCHEDULE OF FINDINGS AND RESPONSES (CONTINUED)  
For the Year Ended December 31, 2018**

**SECTION IV - STATUS OF PRIOR YEAR FINDINGS**

The status of findings and questioned costs noted in prior years is noted below:

**FINANCIAL STATEMENT FINDINGS**

<b>Prior Year Comment No.</b>	<b>Description</b>	<b>Status</b>
SD# 17-01	Inadequate segregation of duties	See CY Comment SD# 18-01
SD# 17-02	Preparation of financial statements by auditor	See CY Comment SD# 18-02
SD# 17-03	Maintaining proper fixed asset and depreciation records	See CY Comment SD# 18-03
SD # 17-04	Payments made for wrong agency.	Resolved. No such payments noted in 2018.

**FEDERAL AWARDS - FINDINGS AND QUESTIONED COSTS**

Not applicable

**(END OF REPORT)**

**AGREED-UPON PROCEDURES REPORT  
GRAND ISLE VOLUNTEER EMGERNCY SERVICES, INC.  
D/B/A JEFFERSON PARISH AMBULANCE DISTRICT NO. 2, LOUISIANA**

**Independent Accountant's Report  
On Applying Agreed-Upon Procedures**

**For the Period from January 1, 2018 to December 31, 2018**

To the President and Board of Directors of  
Grand Isle Volunteer Emergency Services, Inc.  
and the Louisiana Legislative Auditor:

I have performed the procedures enumerated below, which were agreed to by the Grand Isle Volunteer Emergency Services, Inc., d/b/a Jefferson Parish Ambulance District No. 2 ("GIVES"), a non-profit entity, 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 period January 1, 2018 through December 31, 2018. The GIVES'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, I 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***

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1. Obtain the entity's written policies and procedures and observe whether those written policies and procedures address each of the following categories and subcategories (if applicable to public funds and the entity's operations):
  - 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/Collections***, including receiving, recording, and preparing deposits

- 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 Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy. Note: Ethics requirements are not applicable to nonprofits.
- j) **Debt Service**, including (1) debt issuance approval, (2) EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

**RESULTS: EXCEPTION NOTED - GIVES has formal written policies and procedures when it comes to these various categories, except for contracting, credit cards, and travel and expense reimbursements. Ethics and Debt Service are not applicable to the non-profit entity.**

***Board (or Finance Committee, if applicable)***

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- 2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period and:
  - a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

**RESULTS: EXCEPTION NOTED - the GIVES Board is scheduled to meet monthly; however, per the minutes, the Board only met twice during 2018. Most of the meetings were cancelled due to a lack of a quorum. Apparently, some of the Board members stepped down during the year and there weren't enough members to reach a quorum for part of the year.**

- b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the General Fund and major Special Revenue Funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds.
  - Alternatively, for those entities reporting on the non-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.

**RESULTS: EXCEPTION NOTED – as noted above, the Board only met twice in 2018 and neither of the minutes for those meetings referenced any financial reports.**

- c) For governmental entities, obtain the prior year audit report and observe the unrestricted fund balance in the general fund. If the general fund had a negative ending unrestricted fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unrestricted fund balance in the general fund.

**RESULTS: Not Applicable.**

### ***Bank Reconciliations***

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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.

**RESULTS: I obtained a list of bank accounts from GIVES's management and management's representation that the list was complete. Per the listing, GIVES maintained 3 bank accounts during the fiscal year, 2 of which received/contained public funds.**

Select the 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 statements and reconciliation for each selected account, and observe that:

- 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);
- 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
- 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.

**RESULTS: Based on the number of accounts maintained by GIVES, I selected the two public accounts for testing (General Checking and Savings). For those accounts, bank reconciliations were obtained for the month of December 2018, without exception. The bank reconciliations were prepared within 2 months of the closing date, without exception.**

**EXCEPTIONS NOTED – there was no evidence (initials or signatures) that the bank reconciliations were reviewed and approved by the Fire Chief or any other member of management.**

**EXCEPTION NOTED – there was no evidence (initials or other notations) that the Assistant Fire Chief or anyone else had reviewed the bank reconciliations for old outstanding items. In fact, at year end, there were several items older than 12 months that were ultimately written off as part of the audit.**

## *Collections*

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4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

**RESULTS: I obtained a list of deposit sites from GIVES and management's representation that the list was complete. Per the listing, GIVES's main station on Chighizola Lane, Grand Isle, LA is the only deposit site.**

5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete.

**RESULTS: I obtained a list of collection locations from GIVES and management's representation that the list was complete. Per the listing, GIVES's main station on Chighizola Lane, Grand Isle, LA is the only collection location.**

Randomly select one collection location for each deposit site, obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that the job duties are properly segregated at each collection location such that:

- a) Employees that are responsible for cash collections do not share drawers/registers.
- b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit
- c) Each employee responsible for collecting cash is not responsible for posting collections entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
- d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.

**RESULTS: EXCEPTIONS NOTED - I reviewed the written polices or procedures for cash collections and noted that the Assistant Fire Chief is primarily responsible for all cash collection and deposit procedures (i.e., there is not a proper segregation of duties). I observed the following: a) cash drawers are not used; b) cash collections are made by a single employee (the Assistant Fire Chief) who also makes the deposit; c) the employee (Assistant Fire Chief) who collects cash does post entries to the general ledger; however, monthly reports are provided to the Fire Chief and the Board for review and approval; and d) the employee (the Assistant Fire Chief) responsible for reconciling cash collections to the general ledger is responsible for collecting cash.**

6. Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.

**RESULTS: EXCEPTION NOTED – GIVES does not carry an insurance policy/surety bond on all employees handling cash and/or deposits.**

7. Randomly select two deposit dates for each of the bank accounts selected in procedure 3 under Bank Reconciliations above. Obtain supporting documentation for each of the deposits selected and:
  - a) Observe that receipts are sequentially pre-numbered.
  - b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
  - c) Trace the deposit slip total to the actual deposit per the bank statement.
  - d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$10).
  - e) Trace the actual deposit per the bank statement to the general ledger.

**RESULTS: I vouched the selected deposits to their supporting documentation, including the deposit slip. I also traced the deposit to the bank statement and observed that the deposits were made within 1 business day of collection. I was also able to trace the deposits to the posting in the general ledger.**

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

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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).

**RESULTS: I obtained a listing of locations that process payments for GIVES and I obtained management's representation that the listing was complete. Per management, all payments are processed at the main fire station on Chighizola Lane, Grand Isle, LA.**

9. For each location selected in Step 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 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.

e) **RESULTS: EXCEPTIONS NOTED** – There were written policies or procedures for processing payments; however, the policies indicate that the Assistant Fire Chief is responsible for most cash disbursement responsibilities (i.e., no segregation of duties). I also observed the following: a) at least two people are involved in initiating most purchases (the Fire Chief and/or the Assistant Fire Chief), b) the Assistant Fire Chief approves all invoices for payment (i.e., there are not two employees involved in this function), c) the Assistant Fire Chief is responsible for processing payments AND he has access to vendor files in QuickBooks, which includes the ability to add or delete as needed and no other employee reviews these changes, and d) the Assistant Fire Chief processes the payments AND is responsible for mailing the signed checks to vendors (although the checks do require two signatures).

10. For each location selected in Step 8 above, obtain the entity's non-payroll disbursement transaction population (excluding credit cards and travel reimbursements) and obtain management's representation that the population is complete.

**RESULTS: I obtained a listing of non-payroll disbursement transactions and I obtained management's representation that the listing was complete. For testing purposes, I used the detailed general ledger.**

Randomly select 5 disbursements for each location, obtain documentation for each transaction, and:

- a) Observe that the disbursement matched the related original invoice/billing.
- b) Observe that the disbursement documentation include evidence (e.g., initial/date, electronic logging) of segregation of duties tested under Step 9, as applicable.

**RESULTS: EXCEPTION NOTED** – I randomly selected 5 transactions for testing and observed that all 5 of the transactions were supported by a matching invoice or statement. The 5 transactions did not include evidence of who initiated the purchase or who approved the invoice for payment.

#### *Credit Cards/Debit Cards/Fuel Cards/P-Cards*

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

**RESULTS: Not Applicable** – no credit cards, debit cards, or fuel cards in use by GIVES during 2018.

12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:

- a) Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts or credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing, by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]]

**RESULTS: Not Applicable – no credit cards, debit cards, or fuel cards in use by GIVES during 2018.**

- b) Observe that finance charges and/or late fees were not assessed on the selected statements.

**RESULTS: Not Applicable – no credit cards, debit cards, or fuel cards in use by GIVES during 2018.**

13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transaction if less than 10) from each statements, and obtain supporting documentation for the transaction (i.e., each card should have 10 transaction subject to testing). For each transaction, observe that it is supported by:

- An original itemized receipt that identifies precisely what was purchased;
- Written documentation of the business/public purpose; and
- Documentation of the individuals participating in meals (for meal charges only)

**RESULTS: Not Applicable – no credit cards, debit cards, or fuel cards in use by GIVES during 2018.**

### *Travel and Expense Reimbursement*

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14. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete.

**RESULTS: I obtained a listing of all travel and related expenditures charged to the various general ledger accounts. I obtained management's representation that the general ledger was complete.**

Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:

- a) If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov)).
- b) If reimbursed using actual costs, observe that the reimbursement was supported by an original itemized receipt that identifies precisely what was purchased.

- c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (see Step 1h).
- d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

**RESULTS: My review of the general ledger and discussions with management indicated that there were several travel expenses for conferences and per diems paid during the year. All of the per diem items tested appeared to be in compliance with the established per diem rates (and in accordance with GIVES's adopted per diem rates).**

### Contracts

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- 15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternatively, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete.

**RESULTS: I obtained the general ledger from GIVES and scanned it for contract payments on professional services, materials and supplies, leases or construction activities. I obtained management's representation that the general ledger was complete. I only noted two (2) contracts for contracted services or purchases other than those to the practitioner or that were made on state contract.**

Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:

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

**RESULTS: There were no contracts noted that would require bids under the Louisiana Public Bid Law. The contracts selected are for services, not goods.**

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

**RESULTS: There were no contracts entered into during 2018 that would require approval by the Board. The two contracts selected are recurring in nature.**

- c) If the contract was amended (e.g., change order), observe that the original contract terms provided for such an amendment.

**RESULTS: There were no contract amendments noted during 2018.**

- d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and condition of the contract.

**RESULTS: I selected one payment from each of the two contracts and vouched it to the supporting invoice. The pricing and terms agreed without exception.**

***Payroll and Personnel***

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16. Obtain a listing of employees and elected officials employed during the fiscal period and management's representation that the listing is complete.

**RESULTS: Not Applicable – GIVES has no employees. GIVES contracts with the Grand Isle Fire Department for administrative and personnel needs. These AUPs will be tested as part of the Grand Isle Fire Department's AUP testing. See that agency's report for results.**

Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

**RESULTS: Not Applicable – See explanation for Item 16 above.**

17. Randomly select on pay period during the fiscal period. For the 5 employees/officials selected under Step 16 above, obtain attendance records and leave documentation for the pay period, and:

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

**RESULTS: Not Applicable – See explanation for Item 16 above.**

- b) Observe that supervisors approved the attendance and leave of the selected employees/officials.

**RESULTS: Not Applicable – See explanation for Item 16 above.**

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

**RESULTS: Not Applicable – See explanation for Item 16 above.**

18. Obtain a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete.

**RESULTS: Not Applicable – See explanation for Item 16 above.**

Randomly select 2 employees/officials, obtain related documents of the hours and pay rates used in management's termination payment calculations, agree the hours to the employee/official's cumulative leave records, and agree the pay rates to the employee/official's authorized pay rates in the employee/officials personal file.

**RESULTS: Not Applicable – See explanation for Item 16 above.**

Obtain management's representation that the employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers compensation premiums have been paid, and associated forms have been filed, by required deadlines.

**RESULTS: Not Applicable – See explanation for Item 16 above.**

*Ethics (excluding nonprofits)*

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19. Using the five randomly selected employees/officials from procedure #16 under “Payroll and Personnel” above, obtain ethics compliance documentation from management, and:
- a) Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
  - b) Observe that the documentation demonstrates each employee/official attested through signature verification that he or she has read the entity’s ethics policy during the fiscal period.

**RESULTS: Not Applicable to non-profit entities.**

*Debt Service (excluding nonprofits)*

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20. Obtain a listing of bonds/notes issued during the fiscal period and management’s representation that the listing is complete. Select all bonds/notes on the listing, obtain supporting documentation, and observe that the State Bond Commission approval was obtained for each bond/note issued.

**RESULTS: Not Applicable to non-profit entities.**

21. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management’s representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants.

**RESULTS: Not Applicable to non-profit entities.**

*Other*

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22. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management’s representation that the listing is complete.

**RESULTS: I inquired of management about whether any misappropriations of public funds or assets had occurred during the fiscal year. Per management, no misappropriations occurred or were known about, thus, no list was produced.**

Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

**RESULTS: Not Applicable – No misappropriations identified by management.**

23. Observe that the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

**RESULTS: GIVES has posted the LLA Fraud Hotline Poster in its main station in the kitchen/break room on the bulletin board. It does not have an official website; therefore, the requirement to post to the website is not applicable.**

I was 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, I do not express such an opinion or conclusion. Had I performed additional procedures, other matters might have come to my 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.

A handwritten signature in black ink that reads "Paul C. Rivera, CPA". The signature is written in a cursive style with a large initial 'P'.

Paul C. Rivera, CPA  
Marrero, Louisiana  
June 27, 2019



## GRAND ISLE VOLUNTEER EMERGENCY SERVICE

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P.O. Box 1035, Grand Isle, LA 70358, Office: 985-787-2777 \* Fax: 985-787-2000

June 27, 2019

Paul C. Rivera, CPA and the  
Louisiana Legislative Auditor

We appreciate this opportunity to provide explanations for any exceptions noted during the application of the Louisiana Legislative Auditor's Agreed-Upon Procedures (AUPs) for the period January 1, 2018 to December 31, 2018. As a quasi-public non-profit entity, we do the best we can with the small staff that we have. We are committed to providing the best services to the citizens of our Ambulance District and spending the public money provided to us in the most efficient manner possible.

In regards to the exceptions noted during the AUPs, we offer the following:

**AUP 1 - No written policies and procedures for various financial and business functions.**

RESPONSE: Due to the small size of the financial staff of GIVES (basically 1 full-time administrative employee), we have never been able to achieve a proper segregation of duties in the various financial functions, such as purchasing, disbursements, receipts, contracting, etc. Typically, formal policies and procedures are set in writing to document the flow of transactions and the internal controls and segregation of duties that are established. Since we are unable to do so, we have never felt that the cost/benefit of incurring the time and cost in documenting all of our policies and procedures warranted such an endeavor. We have drafted some guidelines for the Grand Isle Fire Department, which are piggybacked on by GIVES; however, we have yet to draft formal procedures for the areas noted. Our administrative staff is well-established and has years of experience on the job. They are well versed in what needs to be done and what our policies and procedures are, even if they are not in writing. We will look to drafting these policies for next year.

**AUP 2a) – The GIVES Board only met twice during the year and did not have enough members to reach a quorum for most of the year.**

RESPONSE: We experienced some turnover on our board early in the year and were unable to find volunteers who meet the criteria established in our by-laws to sit on our board. We were actively recruiting members during most of 2018 and were finally able to sit enough members to reach a quorum in 2019. Given that we are located in a small rural fishing community, it is not easy to find volunteers to serve on our board. We are still two members short but are currently recruiting to completely fill the board.

**AUP 2b) – Financial data was not presented to the Board.**

RESPONSE: The Assistant Fire Chief does prepare monthly financial statements that are presented to the Fire Chief and to the Board President. Since the Board was unable to meet for most of the year, the financial data was not “officially” reviewed. The minutes of the two meetings that were held did not refer to the financial data specifically, but the financial reports were handed out to the board members in attendance. We will work to make sure that future meeting minutes reflect that the financial activity is being reviewed.

**AUP 3b) – There was no evidence (initials or signatures) that the bank reconciliations were reviewed and approved by the Fire Chief or any other member of management.**

RESPONSE: The Assistant Fire Chief prepares the bank reconciliations each month and includes them in the board financial package. We did not have a procedure in place whereby the Fire Chief or the Board President would sign/initial the bank reconciliations signaling a review or approval. We will look to establish this procedure in 2019.

**AUP 3c) – There was no evidence (initials or other notations) that the Assistant Fire Chief or anyone else had reviewed the bank reconciliations for old outstanding items. In fact, at year end, there were several items older than 12 months that were ultimately written off as part of the audit.**

RESPONSE: The Assistant Fire Chief normally makes this review at the end of the year when closing out the books in December. It is true that several items were ultimately voided and written off. We will look to make sure that this process is completed prior to closing out the books in 2019.

**AUP 5b,c, and d – The employee responsible for collecting cash is responsible for preparing/making bank deposits; the employee responsible for collecting cash is responsible for posting collections to the general ledger; and the employee responsible for reconciling cash collections to the general ledger by revenue source is responsible for collecting cash.**

RESPONSE: As noted previously, GIVES operates with a small staff. The Assistant Fire Chief handles most administrative and accounting duties. We do not have the funds to hire additional staff to address this situation at this time. We actually do not collect cash in too many instances anyway. The bulk of our collections come via ACH or check from the Parish or the State. We don’t believe there are enough opportunities for the Assistant Fire Chief to steal cash that would require us to hire additional personnel. We also have some mitigating controls in place to monitor revenues and cash collections.

**AUP 6 – GIVES does not carry an insurance policy/surety bond on all employees handling cash and/or deposits.**

RESPONSE: As noted previously, GIVES operates with a small staff. The Assistant Fire Chief handles most administrative and accounting duties. We actually do not collect cash in too many instances anyway. The bulk of our collections come via ACH or check from the Parish or the State. We don’t believe there are enough opportunities for the Assistant Fire Chief to steal cash that would require us to hire additional personnel. We don’t believe the risk versus the cost of the premiums warrant this expense.

**AUP 9b, c, and d – There are not two employees involved in approving payments to vendors. The approval is typically made by the Fire Chief or the Assistant Fire Chief. The employee responsible for processing payments (the Assistant Fire Chief) can also add/modify the vendor files in QuickBooks. Finally, the employee responsible for signing checks (the Assistant Fire Chief) also mails the payment to the vendor.**

RESPONSE: As noted previously, GIVES operates with a small staff (essentially 1 administrative employee). The Assistant Fire Chief handles most administrative and accounting duties. Under our guidelines, the Assistant Fire Chief has expenditure approval and approves all purchase orders and invoices for payment. Also, we utilize QuickBooks as our in-house general ledger/accounting package. QuickBooks does not really contain any controls over adding or deleting vendor files. Since we only have one employee involved in the financial office, he has access to the vendor files and can add or delete at will. Finally, the Assistant Fire Chief does have the responsibility of mailing the checks after they are signed; however, it should be noted that the checks do require two signatures (i.e., not just from the Assistant Fire Chief)

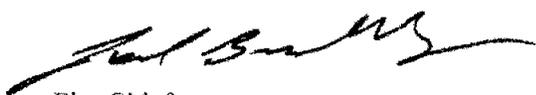
We have tried to put mitigating controls in place by having the Assistant Fire Chief present financial data to the Board on a monthly basis. We also require dual signatures on all checks. Since the Fire Chief is fairly involved in the operations, his involvement and reviews provide some relief to the fact that the Assistant Fire Chief can add or delete vendors without review or approval. We are cognizant of the lack of segregation of duties within the financial office and will continue to monitor financial activity accordingly.

**AUP 10b - Of the 5 non-payroll disbursements tested, 5 of the 5 transactions had no evidence that the transaction was approved by someone other than the person who initiated the purchase.**

RESPONSE: As noted previously, GIVES is a small entity with only 1 administrative employee (the Assistant Fire Chief). Our expenditure guidelines give the Assistant Fire Chief authority to make purchase and payment approvals without someone else's approval. We do have mitigating controls in place in that two people must sign the checks before payment is issued. The Board also reviews the expenses each month (when a meeting is held).

We hope that our answers address any concerns raised from the exceptions noted. We will work towards improving our processes and procedures to minimize or reduce any such exceptions in the future.

Sincerely,



Fire Chief  
Grand Isle Volunteer Emergency Services, Inc.