

**LOWER CAMERON AMBULANCE  
SERVICE DISTRICT**

**FINANCIAL STATEMENTS  
AND  
INDEPENDENT AUDITORS' REPORT**

**FOR THE YEARS ENDED  
DECEMBER 31, 2018 AND 2017**

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## **LESTER, MILLER & WELLS**

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### INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying statements of net position of Lower Cameron Ambulance Service District, a component unit of the Cameron Parish Police Jury, as of December 31, 2018 and 2017, and the related statements of revenues, expenses, and changes in net position and cash flows for the years then ended, and the related notes to the financial statements, which collectively comprise Lower Cameron Ambulance Service District's basic financial statements as listed in the table of contents.

#### **Management's Responsibility for the Financial Statements**

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

#### **Auditors' Responsibility**

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

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

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

## **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Lower Cameron Ambulance Service District as of December 31, 2018 and 2017 and the changes in financial position and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

## **Emphasis of Matter**

As discussed in Note 1, the financial statements present only the financial information of Lower Cameron Ambulance Service District and do not purport to, and do not, present fairly the financial position of the Cameron Parish Police Jury as of December 31, 2018 and 2017, the changes in its financial position, or its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

## **Other Matters**

### *Required Supplementary Information*

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

### *Other Information*

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

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

Board of Commissioners  
Lower Cameron Ambulance Service District  
Creole, Louisiana  
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patient service revenues, schedules of board fees and schedule of compensation, benefits, and other payments to agency head or chief executive officer are fairly stated in all material respects in relation to the financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated June 26, 2019, on our consideration of the Lower Cameron Ambulance Service District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Lower Cameron Ambulance Service District's internal control over financial reporting and compliance.

*Lester, Miller & Wells*

Certified Public Accountants  
Lafayette, Louisiana

June 26, 2019

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

	<u>2018</u>	<u>2017</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents (Note 3)	\$ 143,052	\$ 1,046,699
Certificates of deposits	1,394,932	3,357,932
Patient accounts receivable, net of allowance for estimated uncollectibles of \$20,275 in 2018 and \$14,000 in 2017 (Note 4)	20,785	26,217
Ad valorem tax receivable, net of estimated uncollectibles of \$271,868 in 2018 and \$371,835 in 2017 (Note 6)	360,836	389,528
Due from other governmental agencies	798,464	679,324
Other receivables	92,518	99,392
Prepaid expenses	79,783	75,664
Inventories	<u>27,658</u>	<u>14,200</u>
Total current assets	<u>2,918,028</u>	<u>5,688,956</u>
<b>CAPITAL ASSETS</b>		
Nondepreciable assets (Note 7)	147,570	86,192
Property, plant and equipment, at cost, less accumulated depreciation of \$1,225,650 in 2018 and \$1,144,212 in 2017 (Note 7)	<u>1,261,122</u>	<u>1,338,481</u>
Total capital assets	<u>1,408,692</u>	<u>1,424,673</u>
<b>OTHER ASSETS</b>		
Investments (Note 3)	<u>2,330,430</u>	<u>-0-</u>
<b>TOTAL ASSETS</b>	<b>\$ <u>6,657,150</u></b>	<b>\$ <u>7,113,629</u></b>
<b>LIABILITIES AND NET POSITION</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 96,720	\$ 116,767
Accrued liabilities	<u>56,149</u>	<u>58,221</u>
Total current liabilities	<u>152,869</u>	<u>174,988</u>
<b>NET POSITION</b>		
Net investment in capital assets	1,261,122	1,338,481
Unrestricted	<u>5,243,159</u>	<u>5,600,160</u>
Total net position	<u>6,504,281</u>	<u>6,938,641</u>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<b>\$ <u>6,657,150</u></b>	<b>\$ <u>7,113,629</u></b>

See accompanying notes to financial statements.

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

	<u>2018</u>	<u>2017</u>
<b>OPERATING REVENUES:</b>		
Net patient service revenues, net of provision for bad debts of \$14,315 in 2018 and \$15,363 in 2017	\$ 52,022	\$ 110,273
Other operating revenues	<u>8</u>	<u>-0-</u>
Total operating revenues	<u>52,030</u>	<u>110,273</u>
<b>OPERATING EXPENSES:</b>		
Salaries and payroll taxes	926,873	911,853
Depreciation expense	81,438	78,518
Dispatch services	20,004	4
Education and travel	927	1,367
Employee benefits	400,934	378,502
Fuel expense	6,557	7,114
Insurance expense	68,167	61,075
Professional fees	27,206	18,943
Contract labor	368	9,950
Rent	600	600
Repairs and maintenance	14,848	12,381
Retirement expense	25,928	25,252
Supplies	19,215	43,987
Telephone	16,797	16,780
Utilities	25,825	23,642
Other expenses	<u>17,569</u>	<u>21,746</u>
Total operating expenses	<u>1,653,256</u>	<u>1,611,714</u>
Operating loss	<u>(1,601,226)</u>	<u>(1,501,441)</u>
<b>NON-OPERATING REVENUES:</b>		
Ad valorem taxes	1,119,140	1,092,510
Investment income	<u>47,726</u>	<u>46,291</u>
Total non-operating revenues	<u>1,166,866</u>	<u>1,138,801</u>
<b>INCREASE (DECREASE) IN NET POSITION</b>	<b>(434,360)</b>	<b>(362,640)</b>
<b>NET POSITION BEGINNING OF YEAR</b>	<u><b>6,938,641</b></u>	<u><b>7,301,281</b></u>
<b>NET POSITION END OF YEAR</b>	<b>\$ <u>6,504,281</u></b>	<b>\$ <u>6,938,641</u></b>

See accompanying notes to financial statements.

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

	<u>2018</u>	<u>2017</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from and on behalf of patients	\$ 57,454	\$ 92,012
Payments to employees	(928,945)	(903,228)
Payments to suppliers and contractors	(682,569)	(627,006)
Other receipts and payments, net	<u>8</u>	<u>-0-</u>
Net cash used in operating activities	<u>(1,554,052)</u>	<u>(1,438,222)</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>		
Ad valorem taxes	<u>1,028,692</u>	<u>1,103,967</u>
Net cash provided by non-capital financing activities	<u>1,028,692</u>	<u>1,103,967</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Purchase of capital assets	<u>(65,457)</u>	<u>(162,143)</u>
Net cash used in capital and related financing activities	<u>(65,457)</u>	<u>(162,143)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest income	54,600	46,291
Purchase of certificates of deposit, net of renewals	1,963,000	799,138
Purchase of investments, net of renewals	<u>(2,330,430)</u>	<u>-0-</u>
Net cash provided (used) by investing activities	<u>(312,830)</u>	<u>845,429</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(903,647)</b>	<b>349,031</b>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<u><b>1,046,699</b></u>	<u><b>697,668</b></u>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<b>\$ <u>143,052</u></b>	<b>\$ <u>1,046,699</u></b>

See accompanying notes to financial statements.

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

	<u>2018</u>	<u>2017</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES		
Operating loss	\$ (1,601,226)	\$ (1,501,441)
Adjustment to reconcile operating loss to net cash flows used in operating activities:		
Depreciation	81,438	78,518
Provision for bad debts	14,315	15,363
(Increase) decrease in assets -		
Patient accounts receivable	(8,883)	(33,624)
Prepaid expense	(4,119)	(6,781)
Inventories	(13,458)	2,200
Increase (decrease) in liabilities -		
Accounts payable	(20,047)	(1,082)
Accrued expenses	<u>(2,072)</u>	<u>8,625</u>
NET CASH USED IN OPERATING ACTIVITIES	\$ <u>(1,554,052)</u>	\$ <u>(1,438,222)</u>

See accompanying notes to financial statements.

LOWER CAMERON AMBULANCE SERVICE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2018 AND 2017

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

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

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

Method of accounting:

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

Enterprise Fund:

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

Use of estimates:

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

LOWER CAMERON AMBULANCE SERVICE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2018 AND 2017

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

Cash and cash equivalents:

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

Trade receivables and allowance for uncollectible accounts:

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

Inventories:

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

Capital assets:

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

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

Net patient service revenues:

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

LOWER CAMERON AMBULANCE SERVICE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2018 AND 2017

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

Grants and donations:

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

Operating revenues and expenses:

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

Income taxes:

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

Restricted resources:

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

Deferred outflows/inflows of resources:

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

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

LOWER CAMERON AMBULANCE SERVICE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2018 AND 2017

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

Risk management:

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

Environmental matters:

The Ambulance District is subject to laws and regulations relating to the protection of the environment. The Ambulance District's policy is to accrue environmental and cleanup related costs of a non-capital nature when it is both probable that a liability has been incurred and when the amount can be reasonably estimated. Although it is not possible to quantify with any degree of certainty, the potential financial impact of the Ambulance District's continuing compliance efforts, management believes any future remediation or other compliance related costs will not have a material adverse effect on the financial condition or reported results of operations of the Ambulance District. At December 31, 2018, management is not aware of any liability resulting from environmental matters.

NOTE 2. NET PATIENT SERVICE REVENUES

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

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

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

During the years ended December 31, 2018 and 2017, approximately 63% and 67%, respectively, of the Ambulance District's gross patient services were furnished to Medicare and Medicaid beneficiaries.

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

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

LOWER CAMERON AMBULANCE SERVICE DISTRICT  
 NOTES TO FINANCIAL STATEMENTS  
 YEARS ENDED DECEMBER 31, 2018 AND 2017

NOTE 3. BANK DEPOSITS AND INVESTMENTS

Louisiana state statutes authorize the Ambulance District to invest in direct obligations of the U.S. Treasury and other federal agencies, time deposits with state banks and national banks having their principal office in the State of Louisiana, guaranteed investment contracts issued by highly rated financial institutions, and certain investments with qualifying mutual or trust institutions. Louisiana statutes also require that all of the deposits of the Ambulance District be protected by insurance or collateral. The market value of collateral pledged must equal or exceed 100% of the deposits not covered by insurance

*Custodial Credit Risks* – Custodial credit risk for deposits is the risk that in the event of a bank failure, the Ambulance District’s deposits may not be returned to it. Louisiana state statutes require that all of the deposits of the Ambulance District be protected by insurance or collateral. The fair value of the collateral pledged must equal 100% of the deposits not covered by insurance. The Ambulance District’s deposits were entirely insured or entirely collateralized by securities held by the pledging bank’s trust department in the Ambulance District’s name at December 31, 2018 and 2017.

*Interest Rate Risks* – Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value is to changes in market interest rates. The Ambulance District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from changing interest rates.

The carrying amounts of deposits and investments are included in the Ambulance District’s statements of net position as follows:

	<u>2018</u>	<u>2017</u>
Carrying amount		
Deposits	\$ 143,052	\$ 1,046,699
Certificates of deposit	1,394,932	3,357,932
Investments	<u>2,330,430</u>	<u>-0-</u>
	<u>\$ 3,868,414</u>	<u>\$ 4,404,631</u>

LOWER CAMERON AMBULANCE SERVICE DISTRICT  
 NOTES TO FINANCIAL STATEMENTS  
 YEARS ENDED DECEMBER 31, 2018 AND 2017

NOTE 3. BANK DEPOSITS AND INVESTMENTS (CONTINUED)

Account balances according to banks' records at December 31, 2018, for the Ambulance District are as follows:

	<u>Iberia Bank</u>	<u>The Bank</u>
Cash in bank	\$ <u>178,689</u>	\$ <u>1,394,932</u>
Insured by FDIC	\$ <u>178,689</u>	\$ <u>250,000</u>
Collateralization by fair market value	\$ <u>-0-</u>	\$ <u>1,144,932</u>

Louisiana Asset Management Pool, Inc. (LAMP) is a non-profit corporation organized under the laws of the state of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pools of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LA – R.S. 33:2955.

LAMP is an investment pool that, to the extent practical, invests in a manner consistent with GASB Statement No. 79. The following facts are relevant for investment pools:

Credit Risks – Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization.

Interest Rate Risk – LAMP is designed to be highly liquid to give participants immediate access to their account balances. LAMP prepares its own interest rate risk disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 90 days, and consists of no securities in excess of 397 days or 762 days for U.S. Government floating/variable rate investments.

The investments in LAMP are stated at fair value. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the net asset value of pool shares.

LAMP is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company.

LOWER CAMERON AMBULANCE SERVICE DISTRICT  
 NOTES TO FINANCIAL STATEMENTS  
 YEARS ENDED DECEMBER 31, 2018 AND 2017

NOTE 3. BANK DEPOSITS AND INVESTMENTS (CONTINUED)

At December 31, 2018 the Ambulance District had the following investments and maturities, all of which were held in the Ambulance District's name by LAMP.

December 31, 2018

<u>Investment Type</u>	<u>Carrying Amount</u>	<u>Less Than 1</u>	<u>1 - 5</u>	<u>6 - 10</u>	<u>More Than 10</u>
LAMP	\$ <u>2,330,430</u>	\$ <u>2,330,430</u>	\$ <u>-0-</u>	\$ <u>-0-</u>	\$ <u>-0-</u>

The Ambulance District records these investments under the provision of the GASB Statement No 31. These investments are considered Level 2 investments under the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

At December 31, 2018, the Ambulance District's investments were not rated by Moody's and rated as AAAM by S&P.

NOTE 4. ACCOUNTS RECEIVABLES

Patient accounts receivable reported as current assets by the Ambulance District at December 31, 2018 and 2017 consists of these amounts:

<u>Patient Accounts Receivable</u>	<u>2018</u>	<u>2017</u>
Receivable from patients and their insurance carriers	\$ 11,804	\$ 31,238
Receivable from Medicare	17,834	3,915
Receivable from Medicaid	<u>11,422</u>	<u>5,064</u>
Total patient accounts receivable	41,060	40,217
Less allowance for uncollectible amounts	<u>(20,275)</u>	<u>(14,000)</u>
Patient accounts receivable, net	\$ <u>20,785</u>	\$ <u>26,217</u>

LOWER CAMERON AMBULANCE SERVICE DISTRICT  
 NOTES TO FINANCIAL STATEMENTS  
 YEARS ENDED DECEMBER 31, 2018 AND 2017

NOTE 5. CONCENTRATION OF CREDIT RISK

The Ambulance District grants credit without collateral to its patients, most of whom are local residents and are insured under third-party payor agreements. The mix of receivables from patients and third-party payors at December 31, 2018 and 2017 is as follows:

	<u>2018</u>	<u>2017</u>
Medicaid	48 %	77 %
Medicare	35 %	13 %
Other third-party payors/patients	<u>17 %</u>	<u>10 %</u>
	<u>100 %</u>	<u>100 %</u>

NOTE 6. AD VALOREM TAXES

The Ambulance District levied 24.54 mills and 21.62 mills on properties with assessed values of \$51,098,957 and \$67,919,849, net of homestead values, for the years ended December 31, 2018 and 2017, respectively.

The Ambulance District received approximately 91.8% and 87.5% in 2018 and 2017, respectively, of its financial support from ad valorem taxes. These funds were used to support operations.

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

LOWER CAMERON AMBULANCE SERVICE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2018 AND 2017

NOTE 7. CAPITAL ASSETS

Capital assets additions, retirements, and balances for the years ended December 31, 2018 and 2017 were as follows:

	December 31, 2017	Additions	Retirements	December 31, 2018
Nondepreciable capital assets				
Land	\$ 78,870	\$ -0-	\$ -0-	\$ 78,870
Construction in progress	<u>7,322</u>	<u>61,378</u>	<u>-0-</u>	<u>68,700</u>
Total nondepreciable capital assets	\$ <u>86,192</u>	\$ <u>61,378</u>	\$ <u>-0-</u>	\$ <u>147,570</u>
Depreciable capital assets				
Land improvements	\$ 22,765	\$ -0-	\$ -0-	\$ 22,765
Equipment	234,923	-0-	-0-	234,923
Office equipment	41,460	-0-	-0-	41,460
Buildings and improvements	1,473,577	4,079	-0-	1,477,656
Ambulances	<u>709,968</u>	<u>-0-</u>	<u>-0-</u>	<u>709,968</u>
Total historical cost	<u>2,482,693</u>	<u>4,079</u>	<u>-0-</u>	<u>2,486,772</u>
Less accumulated depreciation for:				
Land improvements	(7,859)	(1,911)	-0-	(9,770)
Equipment	(215,920)	(5,239)	-0-	(221,159)
Office equipment	(39,584)	(1,051)	-0-	(40,635)
Buildings and improvements	(296,096)	(43,774)	-0-	(339,870)
Ambulances	<u>(584,753)</u>	<u>(29,463)</u>	<u>-0-</u>	<u>(614,216)</u>
Total accumulated depreciation	<u>(1,144,212)</u>	<u>(81,438)</u>	<u>-0-</u>	<u>(1,225,650)</u>
Total depreciable capital assets, net	\$ <u>1,338,481</u>	\$ <u>(77,359)</u>	\$ <u>-0-</u>	\$ <u>1,261,122</u>

LOWER CAMERON AMBULANCE SERVICE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2018 AND 2017

NOTE 7. CAPITAL ASSETS (CONTINUED)

	December 31, 2016	Additions	Retirements	December 31, 2017
Nondepreciable capital assets				
Land	\$ 78,870	\$ -0-	\$ -0-	\$ 78,870
Construction in progress	<u>7,322</u>	<u>-0-</u>	<u>-0-</u>	<u>7,322</u>
Total nondepreciable capital assets	\$ <u>86,192</u>	\$ <u>-0-</u>	\$ <u>-0-</u>	\$ <u>86,192</u>
Depreciable capital assets				
Land improvements	\$ 22,765	\$ -0-	\$ -0-	\$ 22,765
Equipment	235,217	14,826	(15,120)	234,923
Office equipment	46,538	-0-	(5,078)	41,460
Buildings and improvements	1,481,122	-0-	(7,545)	1,473,577
Ambulances	<u>562,651</u>	<u>147,317</u>	<u>-0-</u>	<u>709,968</u>
Total historical cost	<u>2,348,293</u>	<u>162,143</u>	<u>(27,743)</u>	<u>2,482,693</u>
Less accumulated depreciation for:				
Land improvements	(5,948)	(1,911)	-0-	(7,859)
Equipment	(222,435)	(8,605)	15,120	(215,920)
Office equipment	(43,355)	(1,307)	5,078	(39,584)
Buildings and improvements	(259,044)	(44,597)	7,545	(296,096)
Ambulances	<u>(562,655)</u>	<u>(22,098)</u>	<u>-0-</u>	<u>(584,753)</u>
Total accumulated depreciation	<u>(1,093,437)</u>	<u>(78,518)</u>	<u>27,743</u>	<u>(1,144,212)</u>
Total depreciable capital assets, net	\$ <u>1,254,856</u>	\$ <u>83,625</u>	\$ <u>-0-</u>	\$ <u>1,338,481</u>

Depreciation expense for the years ended December 31, 2018 and 2017 amounted to \$81,438 and \$78,518, respectively.

NOTE 8. COMPENSATED ABSENCES

Employees' vacation benefits are recognized in the period earned. Accrued compensated absences at December 31, 2018 and 2017 totaled \$33,960 and \$39,038, respectively, which is included in accrued liabilities on the statements of net position.

NOTE 9. SIMPLE IRA PLAN

The Ambulance District has a Simple IRA Plan covering all eligible employees as of June 2002. Employees can contribute a maximum of \$12,500 for the 2018 and 2017 tax years, respectively. The Ambulance District contributed 2% of compensation to each eligible employee's Simple IRA through May of 2014 and then 3% thereafter. All contributions under the plan, as well as the earnings, are fully vested and nonforfeitable. Total Simple IRA plan expenses for the years ended 2018 and 2017 were \$25,928 and \$25,252, respectively.

LOWER CAMERON AMBULANCE SERVICE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2018 AND 2017

NOTE 10. SUBSEQUENT EVENTS

The Ambulance District evaluated subsequent events through June 26, 2019, the date which the financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

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

	<u>2018</u>	<u>2017</u>
Gross patient service revenues	\$ 179,639	\$ 217,629
Less:		
Medicare and Medicaid contractual adjustments	(7,064)	(11,619)
Provision for uncollectible accounts	(14,315)	(15,363)
Parish resident discounts	(104,001)	(83,434)
Insurance and other discounts	<u>(2,237)</u>	<u>3,060</u>
Net patient service revenue	\$ <u>52,022</u>	\$ <u>110,273</u>

LOWER CAMERON AMBULANCE SERVICE DISTRICT  
SCHEDULES OF BOARD FEES  
YEARS ENDED DECEMBER 31, 2018 AND 2017

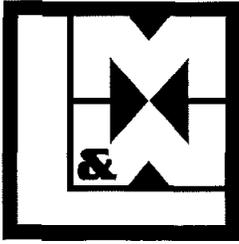
BOARD MEMBERS

The Ambulance District's board members did not receive any compensation during the years ended December 31, 2018 and 2017.

LOWER CAMERON AMBULANCE SERVICE DISTRICT  
 SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS TO  
 AGENCY HEAD OR CHIEF EXECUTIVE OFFICER  
 YEAR ENDED DECEMBER 31, 2018

Agency Head Name: Byron Broussard  
 Position: Executive Director  
 Time Period: January 1, 2018 to December 31, 2018

Purpose	Amount
Salary	\$ 88,165
Benefits - insurance	26,333
Benefits - retirement	2,645
Benefits - other	-0-
Car allowance	-0-
Vehicle provided by government	-0-
Per diem	4,730
Reimbursements	-0-
Travel	-0-
Registration fees	-0-
Conference travel	-0-
Continuing professional education fees	-0-
Housing	-0-
Unvouchered expenses	-0-
Special meals	-0-
	\$ 121,873



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Bobby G. Lester, CPA

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the basic financial statements of the Lower Cameron Ambulance Service District as of and for the years ended December 31, 2018 and 2017, and the related notes to the financial statements, which collectively comprise the Lower Cameron Ambulance Service District's basic financial statements and have issued our report thereon dated June 26, 2019.

#### Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and responses, we identified a deficiency in internal control that we consider to be a material weakness. We consider the deficiency described in the accompanying schedule of findings and responses at 2018-1 to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Lower Cameron Ambulance Service District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and responses as item 2018-2.

Lower Cameron Ambulance Service District Responses to Findings

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

Purpose of this Report

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

*Lester, Miller & Wells*

Certified Public Accountants  
Lafayette, Louisiana

June 26, 2019

LOWER CAMERON AMBULANCE SERVICE DISTRICT  
SCHEDULE OF FINDINGS AND RESPONSES  
YEAR ENDED DECEMBER 31, 2018

**Section I. Summary of Auditors' Results**

Report on Internal Control and Compliance Material to the Financial Statements

Type of auditors opinion: unmodified

Internal control over financial reporting:

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

**Section II. Financial Statement Findings**

**2018-1 - Segregation of Duties**

**Condition:** The Ambulance District does not have adequate segregation of duties. A system of internal control procedures contemplates a segregation of duties so that no one individual handles a transaction from its inception to its completion. While we recognize the Ambulance District may not be large enough to permit such procedures, it is important that you be aware of this condition. This condition was also included in the 2017 audit as item 2017-1.

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

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

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

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

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

LOWER CAMERON AMBULANCE SERVICE DISTRICT  
SCHEDULE OF FINDINGS AND RESPONSES  
YEAR ENDED DECEMBER 31, 2018

**Section II. Financial Statement Findings (Continued)**

**2018-2 – Deposits made with Investment Firm/Broker**

**Condition:** The Ambulance District has investments in Certificates of Deposit that were indirectly purchased through an investment firm/broker. This condition was also included in the 2017 audit as item 2017-2.

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

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

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

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

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

**Section III. Federal Award Findings and Questioned Costs**

Not Applicable

**Section IV. Management Letter**

Not Applicable

LOWER CAMERON AMBULANCE SERVICE DISTRICT  
SCHEDULE OF PRIOR YEAR FINDINGS  
YEAR ENDED DECEMBER 31, 2018

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

**2017-1 - Segregation of Duties**

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

**Current Status:** This finding is repeated at 2018-1.

**2017-2 – Investments made with Investment Firm/Broker**

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

**Current Status:** This finding is repeated at 2018-2, but resolved during 2018.

**Section II. Federal Award Findings and Questioned Costs**

Not Applicable

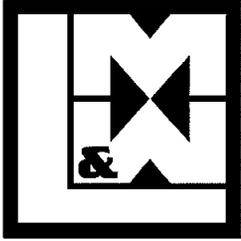
**Section III. Management Letter**

Not Applicable

**LOWER CAMERON AMBULANCE  
SERVICE DISTRICT**

**INDEPENDENT AUDITORS' REPORT  
ON APPLYING AGREED PROCEDURES**

**FOR THE YEAR ENDED  
DECEMBER 31, 2018**



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### Independent Accountant's Report on Applying Agreed-Upon Procedures

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

We have performed the procedures enumerated below, which were agreed to by Lower Cameron Ambulance Service District (the "District") and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2018 through December 31, 2018. The District's management is responsible for those C/C areas identified in the SAUPs.

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

The procedures and associated findings are as follows:

#### ***Written Policies and Procedures***

1. Obtain and inspect the entity's written policies and procedures and observe that they 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. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

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

- 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 of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases)
- 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.
- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

*Findings: All written policies and procedures were obtained. No exceptions noted in applying the above procedures.*

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

---

- 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.
  - 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. *Alternately, 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.*
  - 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.

*Findings: All board minutes for the fiscal period were obtained. No exceptions noted in applying the above procedures.*

### ***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. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for selected each account, and observe that:
- 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.

***Findings:*** A list of all bank accounts was obtained. Management provided representation that the list was complete. We noted several reconciling items that have been outstanding for more than 12 months from the statement closing date. Management did not have documentation reflecting that they have researched the reconciling items.

***Management Response:*** Management has subsequently revised the Bank Reconciliation policy for researching outstanding reconciling items. Management has also started researching outstanding items in 2019.

### ***Collections***

---

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).

***Findings:*** A list of all deposit sites were obtained. Management provided representation that the list was complete.

5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), 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 job duties are properly segregated at each collection location such that:
- a) Employees that are responsible for cash collections do not share cash drawers/registers.

***Findings:*** The District has one cash drawer that is shared by the Office Manager and Director.

***Management's response:*** Cash is rarely collected at the location. There was only one instance of actual cash collected in 2018. All other collections are checks and automatic deposits by electronic fund transfers (EFTs).

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

- 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 collection 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.

**Findings:** *The Office Manager receives collections, post deposits, and reconciles cash collections to the ledgers. The Director receives collections and is responsible for preparing/making bank deposits.*

**Management's response:** *Management is aware of the segregation of duties deficiency and has compensating controls in place. The Assistant Director, who does not have any responsibility in the collection process, reviews and approves all reconciliations monthly.*

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

**Findings:** *Per written documentation, all employees are covered by an insurance policy for theft.*

- 7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc. Obtain supporting documentation for each of the 10 deposits 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 \$100).
- e) Trace the actual deposit per the bank statement to the general ledger.

**Findings:** *The District did not use pre-numbered receipts at the time of the collections tested.*

**Management's response:** *Management started using a Receipt Log in May 2018.*

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

---

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

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

**Findings:** A list of all locations that process payments were obtained. Management provided representation that the list was complete.

9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:
- At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
  - At least two employees are involved in processing and approving payments to vendors.
  - 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.
  - 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.

**Findings:** No exceptions noted in applying the above procedures.

10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:
- Observe that the disbursement matched the related original invoice/billing statement.
  - Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #6, as applicable.

**Findings:** General ledger details representing all entity disbursements were obtained. Management provided representation that the listing was complete. No exceptions noted in applying the above procedures.

## **Contracts**

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11. 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. Alternately, the practitioner may use an equivalent selection source, such as an active vendor list. Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:
- Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
  - Observe that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).
  - If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment.

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- 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 conditions of the contract.

**Findings:** *A list of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period was obtained. Management provided representation that the list was complete. No exceptions noted in applying the above procedures.*

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

This report is intended solely for the user of management of Allen Parish Ambulance Service District No. 1 and the Louisiana Legislative Auditor, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Lester, Miller & Wells*

Certified Public Accountants  
Lafayette, Louisiana

June 26, 2019