

**JACKSON PARISH  
AMBULANCE SERVICE DISTRICT  
JONESBORO, LOUISIANA**

**ANNUAL FINANCIAL REPORT  
DECEMBER 31, 2018**

Jackson Parish Ambulance Service District  
Jonesboro, Louisiana

Financial Report  
December 31, 2018

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# JACKSON PARISH AMBULANCE SERVICE DISTRICT

## JONESBORO, LOUISIANA 71251

### MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the Jackson Parish Ambulance Service District's (hereafter referred to as the District) annual financial report presents an overview and analysis of the District's financial activities for the year ended December 31, 2018. Certain comparative information with the previous year is presented to provide an overview of the District's operations.

#### Financial Highlights

The Basic Financial Statements of the District report information about the District using Governmental Accounting Standards Board's (GASB) accounting principles. The Statement of Net Position (page 8) includes all of the District's assets and liabilities and provides information about the nature and amount of investments in resources (assets) and the obligations to District creditors (liabilities). All of the current year's revenues and expenses are accounted for in the Statement of Revenues, Expenses and Changes in Net Position (page 9). This statement measures improvements in the District's operations over the past year and can be used to determine whether the District has been able to recover all of its costs through its patient service revenue and other revenue sources. The final required financial statement is the Statement of Cash Flows (page 10). The primary purpose of this statement is to provide information about the District's cash from operations, investing and financing activities, and to provide answers to such questions as "where did cash come from?", "what was cash used for?" and "what was the change in cash balance during the reporting period?"

#### Financial Analysis of the Ambulance District

The Statement of Net Position and the Statement of Revenues, Expenses and Changes in Net Position report information about the District's activities. These two statements report the net position of the District and changes in them. The District's net position, the difference between assets and liabilities, is one way to measure the District's financial health, or financial position. Over time, increases or decreases in the District's net position is one indicator of whether its financial health is improving or deteriorating. However, other nonfinancial factors such as changes in the District's property tax base and millage, the health care industry, changes in Medicare and Medicaid regulations, and changes in commercial discounts should also be considered.

A summary of the District's basic financial statements is as follows:

Summary of Statement of Net Position

	<u>2018</u>	<u>2017</u>
<b>ASSETS:</b>		
Assets	\$ 9,632,704	\$8,873,248
Capital Assets, Net of Accumulated Depreciation	<u>1,148,959</u>	<u>1,088,329</u>
Total Assets	<u>\$10,781,663</u>	<u>\$9,961,577</u>
<b>LIABILITIES:</b>		
Current Liabilities- Payables	\$ 116,864	\$ 133,494
Noncurrent Liabilities- Compensated Absences	<u>61,344</u>	<u>52,633</u>
Total Liabilities	<u>\$ 178,208</u>	<u>\$ 186,127</u>
<b>NET POSITION:</b>		
Net Investment in Capital Assets Unrestricted	\$ 1,148,959	\$1,088,329
	<u>9,454,496</u>	<u>8,687,121</u>
Total Net Position	<u>\$10,603,455</u>	<u>\$9,775,450</u>

## Summary of Statement of Revenue and Expenses

	<u>2018</u>	<u>2017</u>
REVENUES:		
Operating Revenues-		
Ambulance Service	\$2,154,394	\$2,113,788
Non-Operating Revenues-		
Property Taxes	1,069,207	1,196,468
Miscellaneous	<u>59,893</u>	<u>61,844</u>
Total Revenues	<u>\$3,283,494</u>	<u>\$3,372,100</u>
EXPENSES:		
Operating Expenses	\$2,412,938	\$2,346,683
Loss on Disposal of Assets	0	1,318
Statutory Deductions	<u>42,551</u>	<u>44,497</u>
Total Expenses	<u>\$2,455,489</u>	<u>\$2,392,498</u>
Change in Net Position	<u>\$ 828,005</u>	<u>\$ 979,602</u>

### Sources of Revenue

Ambulance service revenue of \$2,154,394 was 66% of total revenue of the District for the year ended December 31, 2018.

### Expenses

The majority of the District's total expenses is for payroll costs. For the year ended December 31, 2018, payroll costs (wages, taxes, retirement) amounted to \$1,391,476, or 57% of total operating expenses.

### Capital Assets

The District's capital assets consist of ambulances and related equipment, along with the ambulance facility.

### Economic Factors

The District's major revenue source is from ambulance services. There are no significant changes projected in revenue, except the District is anticipating reimbursement cuts in Medicare and Medicaid.

### Contacting the Ambulance District's Financial Manager

This financial report is designed to provide our citizens, customers and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or requests for additional information, contact the District's Director at 115 Watts St, Jonesboro, LA 71251.

**T | C | B | T**  
**THOMAS, CUNNINGHAM, BROADWAY & TODTENBIER**  
*Certified Public Accountants*

Eddie G. Johnson, CPA – A Professional Corporation (1927-1996)

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**INDEPENDENT AUDITOR'S REPORT**

Mr. Aaron K. Johnson, Jr., Director  
and Members of the Board of Commissioners  
Jackson Parish Ambulance Service District  
Jonesboro, Louisiana 71251

**Report on the Financial Statements**

We have audited the accompanying financial statements of the business-type activities and major fund information of the Jackson Parish Ambulance Service District (District), a component unit of the Jackson Parish Police Jury, as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

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

**Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and major fund information of the District as of December 31, 2018, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis as listed in the Table of Contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is presented for purposes of additional analysis and 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.

The Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer listed as required supplementary information listed in the Table of Contents is presented for purposes of additional analysis and is not a required part of the basic financial statements.

We have applied certain limited procedures to the Management's Discussion and Analysis in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the introductory section because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The Schedule of Compensation, Benefits, Other Payments to Agency Head or Chief Executive Officer is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is 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 May 31, 2019, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 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 District's internal control over financial reporting and compliance.

*Report on Other Legal and Regulatory Requirements*

In accordance with the requirements of the Louisiana Legislative Auditor, we have issued a report dated May 31, 2019, on the results of the statewide agreed-upon procedures in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in *Government Auditing Standards*. The purpose of that report is solely to describe the scope of testing performed on those control and compliance areas identified in the Louisiana Legislative Auditor's state wide agreed-upon procedures, and the results of that testing, and not to provide an opinion on control or compliance.

*Thomas, Cunningham, Broadway & Todtenbier, CPA's*

Thomas, Cunningham, Broadway & Todtenbier CPA's  
Natchitoches, Louisiana

May 31, 2019

Jackson Parish Ambulance Service District  
Statement of Net Position  
Proprietary Fund  
December 31, 2018

ASSETS:

Current Assets-	
Cash & Cash Equivalents	\$ 7,912,242
Receivables	1,691,242
Prepaid Expenses	<u>27,070</u>
Total Current Assets	\$ <u>9,630,554</u>
Capital Assets-	
Equipment	\$ 1,841,337
Building	796,139
CIP	61,200
Land	20,000
Accumulated Depreciation	<u>(1,569,717)</u>
Total Capital Assets	\$ <u>1,148,959</u>
Other Assets-	
Deposits	\$ <u>2,150</u>
Total Assets	\$ <u>10,781,663</u>

LIABILITIES & NET POSITION:

Current Liabilities-	
Accounts Payable	\$ 82,538
Payroll Related Payables	<u>34,326</u>
Total Current Liabilities	\$ 116,864
Non-Current Liabilities-	
Compensated Absences	<u>61,344</u>
Total Liabilities	\$ <u>178,208</u>
Net Position-	
Net Investment in Capital Assets	\$ 1,148,959
Unrestricted	<u>9,454,496</u>
Total Net Position	\$ <u>10,603,455</u>

See notes to financial statements.

Jackson Parish Ambulance Service District  
Statement of Revenues, Expenses and Changes in Net Position-  
Proprietary Fund  
For the Year Ended December 31, 2018

OPERATING REVENUES:	
Ambulance Service	\$ <u>2,154,394</u>
OPERATING EXPENSES:	
Advertising	\$ 8,353
Auto Fuel, Oil, etc.	54,058
Billing Services & Supplies	122,949
Depreciation Expense	187,983
Insurance & Bonding	49,978
Insurance - Workmen's Compensation	64,148
Legal & Accounting	28,744
Outside Services	21,445
Office Supplies & Expenses	12,552
Payroll Taxes	93,455
Repairs and Maintenance	51,151
Retirement	46,727
Rents	5,230
Group Insurance	212,995
Salaries & Wages	1,251,295
Supplies	125,733
UPL Fee	22,565
Uniforms	7,332
Telephone & Utilities	37,784
Travel & Education	<u>8,461</u>
Total Operating Expenses	\$ <u>2,412,938</u>
Operating Loss	\$ <u>(258,544)</u>
NON-OPERATING REVENUES (EXPENSES):	
Ad Valorem Taxes	\$ 1,069,207
Dividend Income- LWCC	35,412
Miscellaneous Revenue	7
Interest Income	24,474
Statutory Deductions	<u>(42,551)</u>
Total Non-Operating Revenues (Expenses)	\$ <u>1,086,549</u>
Change in Net Position	\$ 828,005
Net Position-Beginning of Year	<u>9,775,450</u>
Net Position-End of Year	<u>\$10,603,455</u>

See notes to financial statements.

Jackson Parish Ambulance Service District  
Statement of Cash Flows  
Proprietary Fund  
For the Year Ended December 31, 2018

<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>	
Cash Received from Customers	\$ 2,220,945
Cash Payments to Suppliers for Goods and Services	(1,009,789)
Cash Payments to Employees	(1,237,738)
Non-operating Revenue	<u>1,064,575</u>
Net Cash Provided by Operating Activities	<u>\$ 1,037,993</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>	
Purchase of Capital Assets	\$ <u>(248,613)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>	
Investment Income	\$ <u>25,702</u>
Net Increase in Cash and Cash Equivalents	\$ 815,082
Cash and Cash Equivalents-Beginning of Year	<u>7,097,160</u>
Cash and Cash Equivalents-End of Year	<u>\$ 7,912,242</u>
<b>RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</b>	
Operating Loss	\$ (258,544)
Adjustments to Reconcile Operating Loss to Net Cash Provided by Operating Activities-	
Depreciation	187,983
Non-operating Revenue	1,062,076
Changes in Assets and Liabilities-	
(Increase) Decrease in Prepaid Expenses	(14,653)
(Increase) Decrease in Accounts Receivable	69,049
Increase (Decrease) in Accounts Payable	(21,475)
Increase (Decrease) in Accrued Payroll	4,846
Increase (Decrease) in Compensated Absences	<u>8,711</u>
Net Cash Provided by Operating Activities	<u>\$ 1,037,993</u>

See notes to financial statements.

## NOTES TO FINANCIAL STATEMENTS

Jackson Parish Ambulance Service District  
Notes to Financial Statements  
December 31, 2018

## INTRODUCTION

As provided by Louisiana Revised Statute 33:9053, the Jackson Parish Ambulance Service District (the District) was created by an ordinance of the Jackson Parish Police Jury on May 4, 1998. The District is governed by a Board of Commissioners consisting of five members appointed by the Jackson Parish Police Jury. Commissioners are residents of the parish and serve terms of 3-6 years.

The District was created for the purpose of owning and operating ambulances for the transportation of persons suffering from illness, disabilities, or injuries necessitating ambulance care.

### 1. Summary of Significant Accounting Policies:

#### A. Basis of Presentation-

The accompanying financial statements of the District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

#### B. Reporting Entity-

As the governing authority of the parish, for reporting purposes, the Jackson Parish Police Jury is the financial reporting entity for Jackson Parish. The financial reporting entity consists of (a) the primary government (police jury), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

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

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

Jackson Parish Ambulance Service District  
Notes to Financial Statements  
December 31, 2018

Because the Jackson Parish Police Jury appoints the organization's governing body, and the ability of the Jackson Parish Police Jury to impose its will on the District, the District was determined to be a component unit of the Jackson Parish Police Jury, the financial reporting entity. The accompanying financial statements present information only on the fund maintained by the District and do not present information on the Jackson Parish Police Jury, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

C. Fund Accounting-

The District uses one fund 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 relating to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

The District uses an enterprise fund type of the proprietary fund category to account for operations that are financed and operated in a manner similar to a private business enterprise where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses for the proprietary funds include the cost of personal and contractual services, supplies and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

D. Basis of Accounting-

The accounting and financial treatment applied to a fund is determined by its measurement focus. Proprietary funds are accounted for on a flow of economic resources measurement focus and a determination of net income and capital maintenance. With this measurement focus, all assets and all liabilities associated with the operation of this fund are included on the statement of net position. The proprietary fund uses the accrual basis of accounting; revenues are recognized when earned, and expenses are recognized at the time the related liabilities are incurred.

Ad Valorem taxes are recorded in the year the taxes are assessed. Ad Valorem taxes are assessed on a calendar year basis, become due on November 15 of each year, and become delinquent on December 31. Ad valorem taxes are generally collected in December of the current year and January and February of the ensuing year. Ambulance service revenues are recorded net of charges disallowed by Medicare, Medicaid, or private insurance.

Jackson Parish Ambulance Service District  
Notes to Financial Statements  
December 31, 2018

E. Cash and Cash Equivalents-

The District has deposits in highly liquid investment vehicles such as certificates of deposit. Since all of the District's cash is readily available, these deposits are listed in the financial statements as "Cash & Cash Equivalents". Under State law, the District may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana. The District may also purchase investments in securities backed by the full faith and credit of the United States Government.

F. Compensated Absences-

All full-time employees earn annual and sick leave at varying rates from four to six days each year depending on length of service. There is a maximum accrual with varying hours depending on length of service. Upon termination, employees will receive compensation for all unused annual leave at the employees' current rate of pay.

G. Capital Assets-

The capital assets of the District's enterprise fund are included on the Statement of Net Position, net of accumulated depreciation. The District maintains a threshold level of \$5,000 or more for capitalizing capital assets. The costs of normal maintenance and repairs that do not add to the value of that asset or materially extend the life of that asset are not capitalized. Depreciation of all exhaustible capital assets used by the enterprise fund operation is charged as an expense against operations. Depreciation has been computed using the straight-line method over the estimated useful lives of the assets, which are 5 to 10 years for ambulances and equipment and 40 years for buildings.

H. Estimates-

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require 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, expenditures and expenses during the reporting period. Actual results could differ from those estimates.

2. Levied Taxes:

For the year ended December 31, 2018, taxes of 5.37 mills were levied on property with an assessed valuation totaling \$234,219,700. The District's tax calendar is presented in section 1D above.

Jackson Parish Ambulance Service District  
Notes to Financial Statements  
December 31, 2018

Total taxes collected for 2018 were \$1,069,207. The five largest taxpayers and their assessed valuation are as follows:

<u>Taxpayer</u>	<u>Assessed Value</u>
Compass Energy Operating, LLC	\$41,847,030
ETC Tiger Pipeline	38,492,880
Westrock CP, LLC	21,454,760
Regency Intrastate Pipeline	20,536,710
Enable Gas Transmission	10,469,180

3. Cash and Cash Equivalents:

The cash and cash equivalents of the District are subject to the following risk:

*Custodial Credit Risk:* Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the District will not be able to recover its deposits. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal or exceed the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the District that the fiscal agent bank has failed to pay deposited funds upon demand. Further, Louisiana Revised Statute 39:1224 states that securities held by a third party shall be deemed to be held in the District's name.

The District's deposits of \$7,938,863 with financial institutions at December 31, 2018, were fully secured by FDIC insurance, pledged securities, and letters of credit with FHL Bank of Dallas.

4. Compensation of Board Members:

The members of the Board of Commissioners of the District receive no compensation for their services.

5. Post-Employment Benefits:

The Jackson Parish Ambulance Service does not provide any post-employment benefits; therefore, no disclosure for GASB 45 is required.

6. Commitments:

The District has two unused letters of credit with FHL Bank of Dallas. The first is for up to \$4,750,000 effective December 3, 2018 and expiring July 11, 2019, and the second is for up to \$500,000 effective February 26, 2018 and expiring February 26, 2019.

Jackson Parish Ambulance Service District  
Notes to Financial Statements  
December 31, 2018

7. Revenue Receivable:

At year-end, the District has \$1,691,242 in receivables as follows:

Intergovernmental-	
Ad Valorem Taxes	\$1,102,530
Employee Receivable	300
Accounts-	
LA Ambulance Alliance	134,472
Medicare	19,518
Private Insurance	53,879
Medicaid	134,891
Medicaid UPL	171,822
Patient Self-Pays	<u>73,830</u>
Total Accounts Receivable	<u>\$1,691,242</u>

Substantially all amounts are considered to be collectable and the District does not estimate or use an allowance for bad debt account.

8. Capital Assets:

Capital assets and depreciation activity as of and for the year ended December 31, 2018, is as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital Assets:				
Land	\$ 20,000	\$ -	\$ -	\$ 20,000
CIP	-	61,200		61,200
Building	796,139			796,139
Equipment	1,653,924	187,413		1,841,337
Total Assets	<u>\$ 2,470,063</u>	<u>\$ 248,613</u>	<u>\$ -</u>	<u>\$ 2,718,676</u>
Accumulated Depreciation:				
Equipment	\$ 1,247,387	\$ 168,079	\$ -	\$ 1,415,466
Building	134,347	19,904		154,251
Total Accumulated Depreciation	<u>\$ 1,381,734</u>	<u>\$ 187,983</u>	<u>\$ -</u>	<u>\$ 1,569,717</u>
Total Net Assets	<u>\$ 1,088,329</u>	<u>\$ 60,630</u>	<u>\$ -</u>	<u>\$ 1,148,959</u>

Depreciation expense of \$187,983 was recorded for the year ended December 31, 2018.

Jackson Parish Ambulance Service District  
Notes to Financial Statements  
December 31, 2018

9. Deferred Compensation Plan:

The District provides a 457b plan to full-time employees that have been employed with the District for at least six months. Employees may contribute up to 10% of their salary. The District will match one-half of the employees' contributions, except for management employees. Management employees are entitled to a 200% match from the District. For the year ended December 31, 2018, the District's contribution amount was \$46,727, and the employee contribution amount was \$48,806.

10. Litigation and Claims:

Management has advised that there is no litigation pending against the District at December 31, 2018.

11. Compensated Absences:

The following is a summary of compensated absences for the year ended December 31, 2018:

<u>Balance</u> <u>01-01-18</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12-31-18</u>
<u>\$52,633</u>	<u>\$8,711</u>	<u>\$0</u>	<u>\$61,344</u>

The current year increase is partially due to employee raises.

12. Subsequent Events:

Management has evaluated events through May 31, 2019, the date which the financial statements were available for issue. There were no items to be reported as subsequent events.

OTHER REQUIRED SUPPLEMENTARY INFORMATION

Jackson Parish Ambulance Service District  
Schedule of Compensation, Benefits and Other Payments to  
Agency Head or Chief Executive Officer  
For the Year Ended December 31, 2018

Agency Head Name: Aaron K. Johnson, Jr., Director

<u>Purpose</u>	<u>Amount</u>
Salary	\$143,261
Benefits- Retirement	26,000
Benefits- SS & Medicare	10,021
Reimbursements	<u>0</u>
Total	<u>\$179,282</u>

See independent auditor's report.

SUPPLEMENTAL INFORMATION

**T | C | B | T**  
**THOMAS, CUNNINGHAM, BROADWAY & TODTENBIER**  
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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*

Mr. Aaron K. Johnson, Jr., Director  
and Members of the Board of Commissioners  
Jackson Parish Ambulance Service District  
Jonesboro, Louisiana 71251

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, and the *Louisiana Governmental Audit Guide*, the financial statements of the business-type activities and major fund as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the Jackson Parish Ambulance Service District's (District) basic financial statements and have issued our report thereon dated May 31, 2019.

**Internal Control over Financial Reporting**

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

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

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests did not disclose any instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However, this report is a matter of public record and its distribution is not limited. Under Louisiana Revised Statute 25:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

*Thomas, Cunningham, Broadway & Todtenbier, CPA's*

Thomas, Cunningham, Broadway & Todtenbier CPA's  
Natchitoches, Louisiana

May 31, 2019

Jackson Parish Ambulance Service District  
Schedule of Audit Results  
Year Ended December 31, 2018

I. Summary of Audit Results

1. The auditor's report expresses an unmodified opinion on the financial statements of the Jackson Parish Ambulance Service District.
2. There were no material weaknesses noted in internal control during the audit of the financial statements.
3. There were no instances of noncompliance material to the financial statements of the Jackson Parish Ambulance Service District disclosed during the audit.

II. Findings in Accordance with *Government Auditing Standards*

None identified.

III. Prior Year Findings

None identified.

**T | C | B | T**  
**THOMAS, CUNNINGHAM, BROADWAY & TODTENBIER**  
*Certified Public Accountants*

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INDEPENDENT ACCOUNTANT’S REPORT ON APPLYING  
STATEWIDE AGREED-UPON PROCEDURES

To the Members of the  
Jackson Parish Ambulance Service  
Jonesboro, LA, 71251

We have performed the procedures enumerated below, which were agreed to by Jackson Parish 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 is responsible for those C/C areas identified in the SAUPs.

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

Our procedures and associated findings are enumerated below.

***Written Policies and Procedures***

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1. We obtained and inspected the entity’s written policies and procedures and observed whether those written policies and procedures address each of the following categories and subcategories (or noted that the entity does not have any written policies and procedures), as applicable:
  - ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.
  - ***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.
  - ***Disbursements***, including processing, reviewing, and approving.
  - ***Receipts***, 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.)

- **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.
- **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- **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).
- **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- **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.
- **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

a) *Procedure Results- The entity does not have any written policies and procedures for receipts.*

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

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2. We obtained and inspected the board/committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent documents in effect during the fiscal period, and:
  - Observed 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.
  - Observed 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.*
  - For governmental entities, obtained the prior year audit report and observed 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, observed 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.

a) *Procedure Results- Not required due to no exceptions in this category in the prior year.*

### ***Bank Reconciliations***

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3. We obtained a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. We identified the entity's main operating account. We selected the entity's main operating account and randomly selected four additional accounts (or all if less than five). We randomly selected one month from the fiscal period, and obtained and inspected the corresponding bank statement and reconciliation for the selected accounts, and observed that:
  - Bank reconciliations include evidence that they were prepared within two months of the related statement closing date (e.g. initialed and dated, electronically logged);
  - 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
  - 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.
    - a) *Procedure Results – We noted one exception. There was no evidence that management researched reconciling items that have been outstanding longer than 12 months.*

### ***Collections***

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4. We obtained a listing of deposit sites for the fiscal period where deposits for cash/check/money order (cash) are prepared and management's representation that the listing is complete. We randomly selected the required amount of deposit sites (up to five).
5. We obtained a listing of collection locations and management's representation that the listing is complete. We randomly selected one collection location for each deposit site selected. We obtained and inspected written policies and procedures relating to employee job duties at each collection location, and observed that job duties were properly segregated at each collection location such that:
  - Employees that are responsible for cash collections do not share cash drawers/registers.
  - 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.
  - 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.
  - 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.
6. We inquired of management that all employees who have access to cash are covered by a bond or insurance policy for theft.

7. We randomly selected two deposit dates for each of the bank accounts selected for procedure #3 under “Bank Reconciliations” above. We obtained supporting documentation for each of the deposits selected and:
  - We observed that receipts are sequentially pre-numbered.
  - We traced sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
  - We traced the deposit slip total to the actual deposit per the bank statement.
  - We observed 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).
  - We traced the actual deposit per the bank statement to the general ledger.

a) *Procedure Results – The following exceptions were noted: The same person at each collection site collects the money and makes the deposit. None of the six deposits sampled were deposited within one business day, but were within one week.*

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

8. We obtained a listing of locations that process payments for the fiscal period and management’s representation that the listing is complete. We randomly selected the required amount of disbursement locations (up to five).
9. For each location selected under #8 above, we obtained 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 we observed 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.
10. For each location selected under #8 above, we obtained the entity’s non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtained management’s representation that the population is complete. We randomly selected 5 disbursements for each location, and obtained supporting documentation for each transaction and:
  - We observed that the disbursement matched the related original invoice/billing statement.

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

*a) Procedure Results – The Office Manager performs all of the functions in item #9 by herself.*

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

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11. We obtained 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. We obtained management's representation that the listing is complete.
12. Using the listing prepared by management, we randomly selected the required amount of cards (up to five) that were used during the fiscal period. We randomly selected one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), and obtained supporting documentation, and:
  - We observed that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for 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.
  - We observed that finance charges and late fees were not assessed on the selected statements.
13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, we randomly selected the required amount transactions (up to ten) from each statement, and obtained supporting documentation for the transactions. For each transaction, we observed that it is supported by (1) an original itemized receipt that identified precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals.

*a) Procedure Results – Not required due to no exceptions in this category in the prior year.*

### ***Travel and Expense Reimbursement***

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14. We obtained 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. We randomly selected five reimbursements, and obtained the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the five reimbursements selected:
  - If reimbursed using a per diem, we agreed the reimbursement rate to those rates established by the State of Louisiana or the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov)).
  - If reimbursed using actual costs, we observed that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.

- We observed that each reimbursement was supported by documentation of the business/public purpose and other documentation required by written policy.
- We observed that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

*a) Procedure Results – No exceptions noted.*

### ***Contracts***

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15. We obtained 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. We obtained management's representation that the listing is complete. We randomly selected the required amount of contracts (up to five) from the listing, and:

- We observed that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
- We observed 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), we observed that the original contract terms provided for such an amendment.
- We randomly selected one payment from the fiscal period for each of the selected contracts, obtained the supporting invoice, agreed the invoice to the contract terms, and observed that the invoice and related payment agreed to the terms and conditions of the contract.

*a) Procedure Results – Not required due to no exceptions in this category in the prior year.*

### ***Payroll and Personnel***

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16. We obtained a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. We randomly selected five employees/officials, obtained related paid salaries and personnel files, and agreed paid salaries to authorized salaries/pay rates in the personnel files.

17. We randomly selected one pay period during the fiscal period. For the five employees/officials selected under #16 above, we obtained attendance and leave documentation for the pay period, and:

- We observed that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory).
- We observed that supervisors approved the attendance and leave of the selected employees/officials.
- We observed that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.

18. We obtained a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. If applicable, we selected the two employees/officials, and obtained related documentation of the hours and pay rates used in management's termination payment calculations. If applicable, we agreed the hours to the employees/officials' cumulative leave records and the pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files.

19. We obtained management's representation that 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.

*a) Procedure Results – No exceptions noted.*

#### ***Ethics (excluding nonprofits)***

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20. Using the five randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, we obtained ethics compliance documentation from management, and:

- We observed that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
- We observed 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.

*a) Procedure Results – Not required due to no exceptions in this category in the prior year.*

#### ***Debt Service (excluding nonprofits)***

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21. We obtained a listing of bonds/notes issued during the fiscal period and management's representation that the listing is complete. We selected all bonds/notes on the listing, obtained supporting documentation, and observed that State Bond Commission approval was obtained for each bond/note issued.

22. We obtained a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. We randomly selected one bond/note, inspected debt covenants, obtained supporting documentation for the reserve balance and payments, and agreed actual reserve balances and payments to those required by debt covenants.

*a) Procedure Results – Not applicable. No debt was issued during the fiscal period.*

#### ***Other***

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23. We obtained a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. We selected all misappropriations on the listing, obtained supporting documentation, and observed that the entity reported the misappropriation to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

*a) Procedure Results – No exceptions noted; management represented that they are not aware of any misappropriations.*

24. We observed whether 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.

*a) Procedure Results – We noted no exceptions.*

We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively on the Statewide Agreed-Upon Procedures. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of Jackson Parish Ambulance Service District and the Louisiana Legislative Auditor, and is not intended to be, and should not be, used by anyone other than the specified parties.

Respectfully,

*Thomas, Cunningham, Broadway & Todtenbier, CPA's*

Thomas, Cunningham, Broadway & Todtenbier CPA's  
Natchitoches, Louisiana

May 31, 2019

Jackson Parish Ambulance Service District  
Management's Response to Exceptions to  
Statewide Agreed-Upon Procedures  
For the Year Ended December 31, 2018

MANAGEMENT'S RESPONSE TO EXCEPTIONS:

- Item 1: Management will expand its current written policies to implement a specific written policy on receipts, including the functions of receiving, recording, and preparing deposits.
- Item 3: Management will amend its bank reconciliation, policy and procedures to require evidence of review by management of reconciling items that have been outstanding longer than 12 months.
- Item 5: Management does not consider it feasible or cost effective to expand its staff and policies to ensure deposits are prepared by a person who is not responsible for cash collections.
- Item 7: Management will institute procedures to aid in enforcing its policy that all collections from each location are deposited on a daily basis.
- Item 9: Management does not consider it feasible or cost effective to expand its staff and policies to ensure the different duties regarding disbursements are properly segregated.