

**CAMERON PARISH AMBULANCE
DISTRICT NO. 2**

Annual Financial Report

December 31, 2018

CAMERON PARISH AMBULANCE DISTRICT NO. 2
Hackberry, Louisiana

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**CAMERON PARISH AMBULANCE DISTRICT NO. 2
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF DECEMBER 31, 2018**

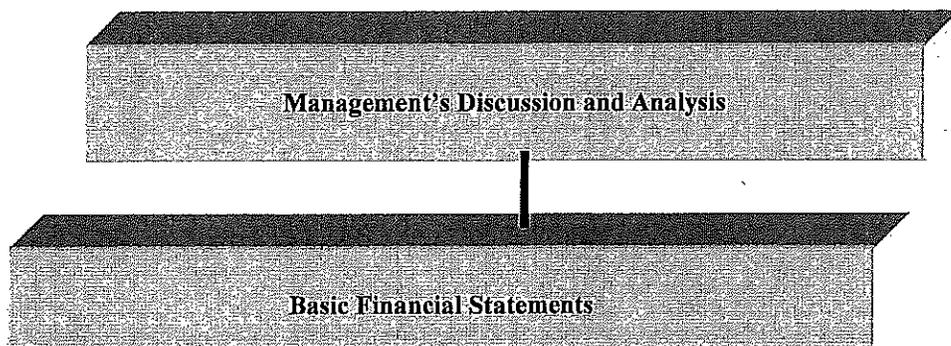
The Management's Discussion and Analysis of the Cameron Parish Ambulance District No. 2's financial performance presents a narrative overview and analysis of the Cameron Parish Ambulance District No. 2's financial activities for the year ended December 31, 2018. This document focuses on the current year's activities, resulting changes, and currently known facts in comparison with the prior year's information. Please read this document in conjunction with the additional information contained in the financial statements.

FINANCIAL HIGHLIGHTS

- The Cameron Parish Ambulance District No. 2's assets exceeded its liabilities at the close of the fiscal year 2018 by \$7,337,813. Of this amount, \$5,517,363 may be used to meet the Cameron Parish Ambulance District No. 2's ongoing obligations to its users.
- The Cameron Parish Ambulance District No. 2's operating revenue decreased \$41,221 and the net operating income decreased by \$219,000 from prior year. The revenue decrease was due to decreased patient service revenues. The net operating income decrease was due to this and increased operating expenses of insurance, payroll and benefits/taxes, maintenance repairs, utilities and depreciation. Non-operating Income increased due to increases in ad valorem taxes due to the recognition of the 10 year Sabine LNG deferred tax revenue of \$2,211,920 received from 2007 thru 2017 per the Cooperative Endeavor Agreement and \$239,866 in Sabine Pass CWIP payments. Interest and miscellaneous income also increased by \$58,251. The change in net position increased by \$2,487,754 caused by the increase in Non-operating Income.

OVERVIEW OF THE FINANCIAL STATEMENTS

The following graphic illustrates the minimum requirements for Special Purpose Governments Engaged in Business Type Activities established by Governmental Accounting Standards Board Statement 34, Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments.



These financial statements consist of two sections: Management's Discussion and Analysis (this section) and the basic financial statements (including the notes to the financial statements).

**CAMERON PARISH AMBULANCE DISTRICT NO. 2
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF DECEMBER 31, 2018**

Basic Financial Statements

The basic financial statements present information for the Cameron Parish Ambulance District No. 2 as a whole, in a format designed to make the statements easier for the reader to understand. The statements in this section include the Statement of Net Position; the Statement of Revenues, Expenses, and Changes in Net Position; and the Statement of Cash Flows.

The Statement of Net Position (page 7) presents the current and long-term portions of assets and liabilities separately. The difference between total assets and total liabilities is net position and may provide a useful indicator of whether the financial position of the Cameron Parish Ambulance District No. 2 is improving or deteriorating.

The Statement of Revenues, Expenses, and Changes in Net Position (page 8) presents information showing how the Cameron Parish Ambulance District No. 2's assets changed as a result of current year operations. Regardless of when cash is affected, all changes in net position are reported when the underlying transactions occur. As a result, there are transactions included that will not affect cash until future fiscal periods.

The Statement of Cash Flow (pages 9-10) presents information showing how the Cameron Parish Ambulance District No. 2's cash changed as a result of current year operations. The cash flow statement is prepared using the direct method and includes the reconciliation of operating income (loss) to net cash provided (used) by operating activities (indirect method) as required by GASB 34.

FINANCIAL ANALYSIS OF THE ENTITY

	Summary of Net Position	
	2018	2017
Assets:		
Current Assets	\$5,753,220	\$4,921,039
Capital Assets	1,820,450	2,106,317
Net Pension Assets	149,062	-
Total Assets	7,722,732	7,027,356
Deferred Outflows of Resources	341,300	524,524
Liabilities:		
Current Liabilities	283,723	224,515
Long-term Liabilities	-	2,623,268
Total Liabilities	283,723	2,847,783
Deferred Inflows of Resources	442,496	68,472
Net Position:		
Capital Net of Debt	1,820,450	2,106,317
Unrestricted	5,517,363	2,529,308
Total Net Position	\$7,337,813	\$4,635,625

**CAMERON PARISH AMBULANCE DISTRICT NO. 2
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF DECEMBER 31, 2018**

	2018	2017
Operating Revenues	\$280,997	\$322,218
Operating Expenses	<u>\$ (2,907,393)</u>	<u>\$ (2,729,614)</u>
Net Operating Income (Loss)	\$ (2,626,396)	\$ (2,407,396)
Non-operating Revenues	5,328,584	2,621,830
Non-operating (Expenses)	<u>-</u>	<u>-</u>
Net non-operating Income/(Loss)	5,328,584	2,621,830

Operating Revenues consist of patient service revenue. Operating Expenses consist mainly of depreciation, insurance, station/ambulance supplies and salaries and employee benefits expenses.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

As of December 31, 2018, the Cameron Parish Ambulance District No. 2 had \$1,820,450, net of accumulated depreciation, invested in a broad range of capital assets, including buildings, equipment, and ambulances. This amount represents a net decrease (including additions and deductions) of \$285,867 over last year.

Buildings	\$1,423,785	\$1,423,785
Other Property and Equipment	634,942	634,942
Land	109,378	109,378
Less: Accumulated Depreciation	<u>\$ (1,524,396)</u>	<u>\$ (1,201,016)</u>
Totals	<u><u>\$1,820,450</u></u>	<u><u>\$2,106,317</u></u>

CONTACTING THE DISTRICT'S MANAGEMENT

This financial report is designed to provide our citizens, customers, and creditors with a general overview of the Cameron Parish Ambulance District No. 2's finances and to show the Cameron Parish Ambulance District No. 2's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Darla B. Perry, CPA, Cameron Parish Ambulance District No. 2.

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INDEPENDENT AUDITORS' REPORT

Board of Commissioners
Cameron Parish Ambulance District No. 2
Hackberry, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities of the Cameron Parish Ambulance District No. 2, a component unit of the Cameron Parish Police Jury, as of and for the years ended December 31, 2018 and 2017 and the related notes to the financial statements, which collectively comprise the basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to in the above present fairly, in all material respects, the respective financial position of the business-type activities of the Cameron Parish Ambulance District No. 2 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, and the schedules of the District's share of net pension liability and employer contributions and notes 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 required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Cameron Parish Ambulance District No. 2's basic financial statements. The Schedule of Compensation, Benefits, and Other Payments to Agency Head or Chief Executive Officer is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the 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 28, 2019, on our consideration of the Cameron Parish Ambulance District No. 2'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 the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Cameron Parish Ambulance District No. 2's internal control over financial reporting and compliance.

McMullen and Mancuso, CPAs, LLC

McMullen and Mancuso CPAs, LLC

Sulphur, Louisiana
June 28, 2019

Cameron Parish Ambulance District No. 2
Statement of Net Position
December 31, 2018
with comparative totals for 2017

Assets

	<u>2018</u>	<u>2017</u>
Current Assets		
Cash and cash equivalents	\$ 459,367	\$ 178,454
Investments	2,464,771	2,103,904
Patient accounts receivable, net	23,844	36,882
Theft loss receivable	-	3,845
Ad valorem tax receivable	2,625,505	2,455,311
Tuition receivable	-	865
Grant Receivable	5,000	5,000
Prepaid expenses	125,463	89,923
Inventory	49,270	46,855
Total Current Assets	<u>5,753,220</u>	<u>4,921,039</u>
 Plant, Property, and Equipment		
Vehicles	1,176,741	1,139,228
Buildings	1,423,785	1,423,785
Other property and equipment	634,942	634,942
Land	109,378	109,378
Accumulated depreciation	<u>(1,524,396)</u>	<u>(1,201,016)</u>
Total Plant, Property, and Equipment	<u>1,820,450</u>	<u>2,106,317</u>
 Other Asset		
Net pension asset	<u>149,062</u>	<u>-</u>
Total Assets	<u>7,722,732</u>	<u>7,027,356</u>
 Deferred Outflows of Resources	<u>341,300</u>	<u>524,524</u>

Liabilities and Net Position

Current Liabilities		
Accounts payable	5,698	20,609
Accrued liabilities	<u>278,025</u>	<u>203,906</u>
Total Current Liabilities	<u>283,723</u>	<u>224,515</u>
 Long Term Liabilities		
Deferred tax revenue	-	2,242,108
Net pension liability	<u>-</u>	<u>381,160</u>
Total Long Term Liabilities	<u>-</u>	<u>2,623,268</u>
Total Liabilities	<u>283,723</u>	<u>2,847,783</u>
 Deferred Inflows of Resources	<u>442,496</u>	<u>68,472</u>
 Net Position		
Capital assets, net of related debt	1,820,450	2,106,317
Unrestricted	<u>5,517,363</u>	<u>2,529,308</u>
Total Net Position	<u>\$ 7,337,813</u>	<u>\$ 4,635,625</u>

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

Cameron Parish Ambulance District No. 2
Statement of Revenues, Expenses, and Changes in Net Position
For The Year Ended December 31, 2018
with comparative totals for 2017

Operating Revenues:	<u>2018</u>	<u>2017</u>
Net patient service revenues	\$ 280,997	\$ 322,218
Operating Expenses:		
Advertising and promotional	546	1,073
Bad debt	3,567	6,920
Commissioners' fees	1,652	1,668
Depreciation	323,380	287,171
Dispatch services	20,004	20,004
Continuing education	1,914	949
Employee retirement	280,867	299,146
Employee drug test	1,707	2,085
Fuel	17,791	17,219
Insurance	597,401	525,793
Licenses and permits	2,425	1,539
Office and other expenses	7,077	6,250
Payroll taxes	22,730	19,560
Professional fees	72,182	64,922
Repairs and maintenance	86,400	51,465
Salaries	1,341,912	1,288,267
Station supplies	64,227	80,130
Telephone and utilities	55,688	47,388
Travel and auto	2,830	1,289
Uniforms	3,093	6,776
Total Operating Expenses	<u>2,907,393</u>	<u>2,729,614</u>
Operating Income (Loss)	(2,626,396)	(2,407,396)
Non-operating Income (Expenses)		
Ad valorem taxes	5,227,678	2,567,255
Miscellaneous income	40,039	17,274
Interest income	60,867	25,381
Gain on disposal of assets	-	11,920
Total Non-Operating Income (Expenses)	<u>5,328,584</u>	<u>2,621,830</u>
Change in Net Position	2,702,188	214,434
Net Position at Beginning of Year	<u>4,635,625</u>	<u>4,421,191</u>
Net Position at End of Year	<u>\$ 7,337,813</u>	<u>\$ 4,635,625</u>

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

Cameron Parish Ambulance District No. 2
Statement of Cash Flows
For the Year Ended December 31, 2018
with comparative totals for 2017

	2018	2017
Cash Flows From Operating Activities:		
Receipts from and on behalf of patients	\$ 294,035	\$ 332,595
Payments to suppliers and other operating expenses	(991,371)	(1,127,775)
Payments to employees and related expenses	(1,544,363)	(1,378,800)
Other receipts and payments, net	4,710	10,908
Net Cash (Used) by Operating Activities	(2,236,989)	(2,163,072)
Cash Flows From Non-Capital Financing Activities:		
Ad valorem taxes	2,815,376	2,264,749
Other revenues	40,039	3,603
Net Cash Provided By Non-Capital Financing Activities	2,855,415	2,268,352
Cash Flows From Capital and Related Financing Activities:		
Proceeds from sales of assets	-	16,560
Purchase of plant, property and equipment	(37,513)	(670,419)
Net Cash (Used) by Capital and Related Financing Activities	(37,513)	(653,859)
Cash Flows From Investing Activities:		
Purchase of investment in LAMP	(360,867)	(330,000)
Interest income	60,867	25,381
Net Cash (Used) by Investing Activities	(300,000)	(304,619)
Net Increase (Decrease) in Cash and Cash Equivalents	280,913	(853,198)
Cash and Cash Equivalents at Beginning of Year	178,454	1,031,652
Cash and Cash Equivalents at End of Year	\$ 459,367	\$ 178,454

Cameron Parish Ambulance District No. 2
Statement of Cash Flows (continued)
For the Year Ended December 31, 2018
with comparative totals for 2017

	2018	2017
Reconciliation of Operating Income (Loss) to Net		
Cash Provided (Used) by Operating Activities:		
Operating income (loss)	\$ (2,626,396)	\$ (2,407,396)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
Depreciation	323,380	287,171
Gain on disposal of assets	-	(11,920)
(Increase) decrease in grant receivable	-	(5,000)
(Increase) decrease in inventory	(2,414)	(3,492)
(Increase) decrease in patient receivable	13,038	10,377
(Increase) decrease in theft loss receivable	3,845	9,658
(Increase) decrease in prepaid expenses	(35,540)	(27,747)
(Increase) decrease in tuition receivable	865	1,250
Increase (decrease) in accounts payable	(14,912)	(48,789)
Increase (decrease) in accrued liabilities	74,119	(25,611)
Increase (decrease) in net pension liability	27,026	58,427
Net Cash (Used) by Operating Activities	\$ (2,236,989)	\$ (2,163,072)

CAMERON PARISH AMBULANCE DISTRICT NO. 2

Notes to Financial Statements

December 31, 2018

Note 1 – Organization and Summary of Significant Accounting Policies

The Cameron Parish Ambulance District No. 2 (the “District”) is a component unit of the Cameron Parish Police Jury. The District operates ambulance services in the Hackberry, Johnson Bayou, Grand Lake, and Big Lake communities in Cameron Parish.

As the governing authority of the Parish, for reporting purposes, the Cameron Parish Police Jury is the financial reporting entity for the Ambulance District. Accordingly, the Ambulance District was determined to be a component unit of the Cameron Parish Policy Jury based on GASB statement No. 14, *The Financial Reporting Entity*. The accompanying financial statements present only the Ambulance District.

The accounting policies of Cameron Parish Ambulance District No. 2 conform to accounting principles generally accepted in the United States of America as applicable to governmental units. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 24:517 and to the guides set forth in the Louisiana Municipal Audit and Accounting Guide, and to the industry audit guide, Audits of State and Local Governmental Units. The following is a summary of the more significant policies:

A. Fund Accounting

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

B. Basis of Accounting

The District’s statements of net position and revenues, expenses, and changes in fund net position are presented using the economic resources measurement focus and the accrual basis of accounting. Accordingly, all assets and liabilities (whether current or noncurrent) are included on the Statement of Net Position. The Statement of Revenues, Expenses and Changes in Net Fund Position present increases (revenues) and decreases (expenses) in total net positions. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

The District distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with the entity’s ongoing operations. The principal operating revenues of the District are charges for ambulance services. Operating expenses include the cost of salaries, depreciation, insurance and station supplies. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the District’s policy to use restricted resources first, then unrestricted resources as they are needed.

GASB No. 20 requires that governments’ proprietary activities apply all applicable GASB pronouncements as well as the following pronouncements issued on or before November 30, 1989, unless those pronouncements

CAMERON PARISH AMBULANCE DISTRICT NO. 2

Notes to Financial Statements
December 31, 2018

Note 1 – Organization and Summary of Significant Accounting Policies (continued)

B. Basis of Accounting (continued)

conflict with or contradict GASB pronouncements: Financial Accounting Standards Board (“FASB”) Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins. Governments are given the option whether or not to apply all FASB Statements and Interpretations issued after November 30, 1989, except for those that November 30, 1989, except for those that conflict with or contradict GASB pronouncements. The Board has elected not to implement FASB Statements and Interpretations issued after November 30, 1989.

C. Use of Estimates

The preparation of the 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. Accordingly, actual results could differ from those estimates.

D. Cash and Cash Equivalents

For purpose of the statements of cash flows, the 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 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.

E. Investments

Investments are limited by Louisiana Revised Statute (R.S.) 33:2955 and the District’s investment policy. If the original maturities of the investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents.

F. Inventories

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

G. 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, equipment under capital lease obligations is amortized using the straight-line method over the shorter period of the lease term or the estimated useful life of the equipment. The District maintains a threshold level of \$5,000 or more for capitalizing capital assets. The following estimated useful lives are generally used:

Ambulance	5 years
Furniture and Equipment	3-10 years
Buildings	30 years

CAMERON PARISH AMBULANCE DISTRICT NO. 2

Notes to Financial Statements

December 31, 2018

Note 1 – Organization and Summary of Significant Accounting Policies (continued)

H. 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 agreement with third-party payers. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in the future periods as final settlements are determined.

I. Operating Revenues and Expenses

The 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 service, the District's principal activity. Non-Exchange revenues, including taxes, grants and contributions received for purposes other than capital asset acquisition, are reported as non-operating revenues. Operating expenses are all expenses incurred to provide health care services, other than financial costs.

J. Income Taxes

The District is a political subdivision and exempt from taxes.

K. Risk Management

The District is exposed to various risks of loss from torts, theft of, damage to, and destruction of assets; business interruption; errors and omissions; employee injuries and illnesses; natural disasters; medical malpractice claims and judgments. Commercial insurance coverage is purchased for claims arising from such matters. The District has had no settled claims resulting from these risks that exceeded its commercial coverage in any of the past three years.

L. Environmental Matters

The District is subject to laws and regulations relating to the protection of the environment. The District's policy is to accrue environmental and clean up related costs of a non-capital nature when it is both probable that a liability has been incurred and when the amount can be reasonable estimated. Although it is not possible to quantify with any degree of certainty the potential financial impact of the 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 District. At December 31, 2018, management is not aware of any liability resulting from environmental matters.

M. Net Position

In the statement of net position, equity is classified as net position and displayed in three components:

1. Investment in capital assets, net of related debt – consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributed to the acquisition, construction, or improvements of those assets.

CAMERON PARISH AMBULANCE DISTRICT NO. 2

Notes to Financial Statements
December 31, 2018

Note 1 – Organization and Summary of Significant Accounting Policies (continued)

M. Net Position (Continued)

2. Restricted net position – net position with constraints placed on the use either by a) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or b) law through constitutional provisions or enabling legislation.
3. Unrestricted – all other net position is reported in this category.

The District typically uses restricted funds first, followed by any unassigned funds when expenditure is incurred for purposes for which amounts in either of these classifications could be used.

Note 2 – Cash and Cash Equivalents

Under state law, the District may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the union, or the laws of the United States. The District may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana.

At December 31, 2018, the District has cash and cash equivalents (book balances) totaling \$459,368. These deposits are stated at cost, which approximates market. Under state law, these deposits, or the resulting bank balances, must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must equal the amount with the fiscal agent at all times.

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. At December 31, 2018, the District had \$461,493 in deposits (collected bank balances). These deposits were secured by federal deposit insurance and \$211,493 pledged securities held by the custodial bank in the name of the fiscal agent bank. (GASB Category 3).

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, 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.

Note 3 – Investments

Under state law, the District may invest in United States bonds, treasury notes, or certificates. These are classified as investments. In addition, local governments in Louisiana are authorized to invest in the Louisiana Asset Management Pool, Inc. (LAMP), a nonprofit corporation formed by an initiative of the State Treasurer. The financial statements of the Louisiana Asset Management Pool, Inc. (LAMP) can be obtained by accessing their website.

Investments held at December 31, 2018 consist of \$2,464,771 in the Louisiana Asset Management Pool (LAMP), a local government investment pool. In accordance with GASB Codification Section 150.126 the investment in LAMP at December 31, 2018 is not categorized in the three risk categories provided by GASB Codification Section 150.126 because the investment is in the pool of funds and therefore not evidenced by securities that exist in physical or book entry form.

CAMERON PARISH AMBULANCE DISTRICT NO. 2

Notes to Financial Statements

December 31, 2018

Note 3 – Investments (continued)

LAMP is administered by LAMP, Inc., 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 pool 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 LSA – R.S. 33:2955.

GASB Statement No.40 Deposit and Investment Risk Disclosure, requires disclosure of credit risk, custodial credit risk, concentration of credit risk interest, and foreign currency risk for all public held entity investments.

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

- Credit risk: LAMP is rated AAAM by Standard & Poor's.
- Custodial credit risk: LAMP participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.
- Concentration of credit risk: Pooled investments are excluded from the 5 percent disclosure requirement.
- Interest rate risk: LAMP is designed to be highly liquid to give its 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 with a maturity in excess of 397 days of 762 days for U.S. Government floating/variable rate investments.
- Foreign currency risk: Not applicable to 2a7-like pools.

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 the pool shares.

Effective August 1, 2001, LAMP's investment guidelines were amended to permit the investment in government-only money market funds. In its 2001 Regular Session, the Louisiana Legislature (Senate Bill No. 512, Act 701) enacted LSA – R.S. 33:2955 (A)(1)(h) which allows all municipalities, parishes, school boards, and any other political subdivision of the State to invest in "Investment grade (A-1/P-1) commercial paper of domestic United States corporations." Effective October 1, 2001, LAMP's Investment Guidelines were amended to allow the limited investment in A-1 or A-1+ commercial paper.

The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days. LAMP is designed to be highly liquid to give its participants immediate access to their account balances. The investments in LAMP are stated at fair value based on quoted market rates. 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 value of the pool shares.

CAMERON PARISH AMBULANCE DISTRICT NO. 2

**Notes to Financial Statements
December 31, 2018**

Note 3 – Investments (continued)

LAMP, Inc. 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.

Note 4 – Patient Accounts Receivable

Patient accounts receivable reported as current assets by the Ambulance District at December 31, 2018, are as follows:

<u>Patient Accounts Receivable</u>	2018
Receivables from patients, insurance carriers, Medicare and Medicaid	\$ 23,844
Less allowance for uncollectible amounts	-
Patient accounts receivable, net	\$ 23,844

No provision has been made for bad debt expense at December 31, 2018.

Note 5 – Net Patient Services Revenue

The Ambulance District has agreements with third-party payers 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 payers 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 year ended December 31, 2018, approximately 45% 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 included prospectively determined rates per ambulance trip, discount on charges, and prospectively determined rates.

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.

Note 6 – Concentrations of Credit Risk

The Ambulance District grants credit without collateral to its patients, most of who 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 include amounts from Medicare, Medicaid, and other third-party payers.

CAMERON PARISH AMBULANCE DISTRICT NO. 2

Notes to Financial Statements
December 31, 2018

Note 7 - Ad Valorem Taxes

The District utilizes the Cameron Parish Tax Collector/Sheriff to bill and collect its property taxes using the assessed values determined by the tax assessor of Cameron Parish. The District has an authorized tax millage of 13.87 mills for general maintenance and operation of the District. The total tax levied was \$2,745,703 on assessed property valued at \$207,674,288.

Property tax millage rates are adopted in July for the calendar year in which the taxes are levied and recorded. Ad valorem taxes are assessed on a calendar year basis and attach as an enforceable lien and become due and payable on the date the tax rolls are filed with the recorder of mortgages. Louisiana Revised Statute 47:1993 requires that the tax roll be filed on or before November 15 of each year. Ad valorem taxes become delinquent if not paid by December 31. *Property taxes not paid by the end of February are subject to lien.*

Ad valorem tax receivable reported as current assets by the Ambulance District at December 31, 2018, are as follows:

Ad Valorem Tax Receivable

	<u>2018</u>
Ad valorem taxes	\$ 2,680,431
Less allowance for uncollectible amounts	<u>54,926</u>
Ad valorem tax receivable, net	<u>\$ 2,625,505</u>

Ad valorem taxes receivable are stated net of an allowance for uncollectible accounts. The district estimated the allowance based on its historical experience of the relationship between the total taxes levied and the actual amounts collected. The allowance for doubtful accounts was \$54,926 and \$51,359 at December 31, 2018 and 2017, respectively.

Ad valorem tax revenue also includes \$2,481,974 in payments over the past ten years from Sabine Pass LNG that had been previously recorded as deferred tax revenue. These are ad valorem taxes that Sabine Pass LNG would have paid from 2019 to 2028 but given to the District in the previous years to expedite the District's hurricane recovery process.

CAMERON PARISH AMBULANCE DISTRICT NO. 2

Notes to Financial Statements
December 31, 2018

Note 7 - Ad Valorem Taxes (continued)

The following are the principal taxpayers for the parish and their 2018 assessed valuation (amounts expressed in thousands):

	2018	
	Assessed Valuation	Percent
Chenier Creole Trail Pipeline	\$ 37,461,620	25.52%
Transcontinental Gas Pipeline	17,516,080	11.93%
Natural Gas Pipeline	10,613,150	7.23%
Citgo Petroleum Company	7,783,923	5.30%
Kinder Morgan Louisiana Pipeline, LLC	9,006,680	6.14%
Hilcorp Energy Company	6,832,044	4.65%
Gulfport Energy Corporation	4,400,720	3.00%
Targa Midstream Services LLC	4,271,511	2.91%
Bechtel Equipment Operations, Inc.	4,058,280	2.76%
Enlink-Bridgeline Holdings LP	3,673,885	2.50%
	105,617,893	71.95%
Remaining taxpayers	41,173,123	28.05%
Total assessed value	\$ 146,791,016	100.00%

Note 8 - Capital Assets

Additions and deletions to property, plant, and equipment for the year ended December 31, 2018 were as follows:

	Balance January 1,	Additions	Deletions	Balance December 31,
Ambulance	\$ 1,007,149	\$ -	-	\$ 1,007,149
Buildings	1,423,785	-	-	1,423,785
Vehicles	25,453	-	-	25,453
Other Property and Equipment	741,567	37,513	-	779,080
Land	109,378	-	-	109,378
Total	3,307,332	37,513	-	3,344,845
Less Accumulated Depreciation	(1,201,015)	(323,380)	-	(1,524,395)
Capital Assets, net	\$ 2,106,317	\$ (285,867)	\$ -	\$ 1,820,450

Depreciation expense for the year ending December 31, 2018 totaled \$323,380.

CAMERON PARISH AMBULANCE DISTRICT NO. 2

Notes to Financial Statements

December 31, 2018

Note 9 – Compensated Absences

Employees may earn 9.24 hours per pay period of vacation, not to exceed a maximum of five hundred four (504) hours. No vacation time may be paid upon termination until the employee has been employed full time for one (1) year. Employees may redeem vacation time at the regular rate after the employee has been employed for one (1) year. After being employed for ten (10) years, employees can receive fifteen (15) vacation days per year at 13.86 hours per pay period.

Employees may earn sick leave at a rate of 3.08 hours per pay period, not to exceed five hundred seventy-six (576) hours. Sick leave days cannot be used in conjunction with annual leave, and in no instance shall an employee be paid for any accumulated sick leave left to an employee's credit at the time of termination from service.

The cost of leave privileges, computed in accordance with the GASB Codification Section C60, is recognized as a current year expenditure in governmental funds when leave is actually taken or when employees or their heirs are paid for accrued leave upon retirement or death. The cost of leave privileges not requiring current resources is recorded in the general long-term obligations account group.

At December 31, 2018, employees of the District have accumulated and vested \$60,293 of employee leave benefits, computed in accordance with GASB Codification Section C60.

Note 10 – Retirement Commitments

Parochial Employees' Retirement System of Louisiana (PERS) is the administrator of a cost sharing multiple employer defined benefit pension plan. PERS was established and provided for by RS 11:1901 of the Louisiana Revised Statute (LRS). Act 765 of the year 1979, established by the Legislature of the State of Louisiana, revised PERS to create Plan A and Plan B to replace the "regular plan" and the "supplemental plan". Plan A was designated for employers out of Social Security. Plan B was designed for those employers that remained in Social Security on the revision date. PERS provides retirement benefits to employees of taxing districts of a parish or any branch or section of a parish within the State which does not have their own retirement system and which elects to become members of PERS.

Retirement Benefits

Any member of Plan A hired prior to January 1, 2007 can retire providing he/she meets one of the following criteria: any age with thirty (30) years of creditable service; age 55 with twenty-five (25) years of creditable service; age 60 with a minimum of ten (10) years of creditable services; age 65 with a minimum of seven (7) years of creditable service. For employees hired after January 1, 2007, he/she must meet the following criteria to retire: age 55 with 30 years of service; age 62 with 10 years of service; age 67 with 7 years of service. Generally, the monthly amount of the retirement allowance of any member of Plan A shall consist of an amount equal to three percent (3%) of the member's final average compensation multiplied by his/hers years of creditable service. However, under certain conditions, as outlined in the statutes, the benefits are limited to specified amounts.

Disability Benefits

For Plan A, a member shall be eligible to retire and receive a disability benefit if he/she was hired prior to January 1, 2007, and has at least five (5) years of creditable service or if hired after January 1, 2007, has seven (7) years of creditable service, and is not eligible for normal retirement, and has been officially certified as disabled by the State Medical Disability Board. Upon retirement caused by disability, a member of Plan A shall be paid a disability benefit

CAMERON PARISH AMBULANCE DISTRICT NO. 2

Notes to Financial Statements
December 31, 2018

Note 10 – Retirement Commitments (continued)

equal to the lesser of an amount equal to three percent of the member's final average compensation multiplied by his years of service, not to be less than fifteen, or three percent multiplied by years of service assuming continued service to age 60.

Survivor Benefits

Upon the death of any member of Plan A with five (5) or more years of creditable service who is not eligible for retirement, the plan provides for benefits for the surviving spouse and minor children, as outlined in the statutes.

Any member of Plan A, who is eligible for normal retirement at time of death, the surviving spouse shall receive an automatic Option 2 benefit, as outlined in the statutes.

Deferred Retirement Option Plan

Act 338 of 1990 established the Deferred Retirement Option Plan (DROP) for the Retirement System. DROP is an option for that member who is eligible for normal retirement.

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

Upon termination of employment prior to or at the end of the specified period of participation, a participant in the DROP may receive, at his option, a lump sum from the account equal to the payments into the account, a true annuity based upon his account balance in that fund, or roll over the fund to an Individual Retirement Account.

Interest is accrued on the DROP benefits for the period between the end of DROP participation and the member's retirement date.

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

Cost of Living Increases

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

CAMERON PARISH AMBULANCE DISTRICT NO. 2

Notes to Financial Statements
December 31, 2018

Note 10 – Retirement Commitments (continued)

2009 provided for further reduced actuarial payments to provide an annual 2.5% cost of living adjustment commencing at age 55.

Employer Contributions

According to state statute, contributions for all employers are actuarially determined each year. For the year ended December 31, 2017, the actuarially determined contribution rate was 9.35% of member's compensation for Plan A. However, the actual rate for the fiscal year ending December 31, 2017 was 12.5% for Plan A.

Non-employer Contributions

According to state statute, the System also receives ¼ of 1% of ad valorem taxes collected within the respective parishes, except for Orleans and East Baton Rouge parishes. The System also received revenue sharing funds each year as appropriated by the Legislature. Tax monies and revenue sharing monies are apportioned between Plan A and Plan B in proportion to the member's compensation. These additional sources of income are used as additional employer contributions and are considered support from non-employer contributing entities.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources

At December 31, 2018, the District reported liabilities/(assets) in its financial statements of \$149,061 for its proportionate share of the net pension liabilities/(assets) of PERS. The net pension liabilities/(assets) were measured as of December 31, 2017 and the total pension liability used to calculate the net pension obligation was determined by separate actuarial valuations performed as of that date. The District's proportion of the net pension asset was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected, contributions of all participating employers, actuarially determined. At December 31, 2017, the District's proportional share of PERS was .201%, which was an increase of .016% from its portions measured as of December 31, 2016.

For the year ended December 31, 2018, the District recognized a net pension expense of \$186,808 in its activities.

CAMERON PARISH AMBULANCE DISTRICT NO. 2

Notes to Financial Statements
December 31, 2018

Note 10 – Retirement Commitments (continued)

At December 31, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Governmental Activities	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 96,491
Net difference between projected and actual earnings on pension plan investments	-	344,374
Changes and assumptions about the future or demographic factors	188,137	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	5,576	-
Employer contributions subsequent to the measurement date	146,556	-
	\$ 340,269	\$ 440,865

The \$146,556 reported as deferred outflows of resources related to pensions resulting from the District's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year	
2018	\$ 24,467
2019	(20,890)
2020	(114,238)
2021	(136,491)
	\$ (247,152)

CAMERON PARISH AMBULANCE DISTRICT NO. 2

Notes to Financial Statements

December 31, 2018

Note 10 – Retirement Commitments (continued)

Actuarial Assumptions

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

	<u>Parochial Employees' Retirement System of Louisiana Plan A</u>
Valuation Date	December 31, 2017
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Investment Rate of Return	6.75%, net of investment expense, including inflation
Projected Salary Increases	5.25% (2.75% Merit, 2.50% Inflation)
Expected Remaining Service Lives	4 years
Cost of Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The present values do not include provisions for potential future increase not yet authorized by the Board of Trustees.
Mortality	RP-2000 Employee Mortality Table was selected for active members. RP-2000 Healthy Annuitant Mortality Table was selected for healthy annuitants and beneficiaries. RP-2000 Disabled Lives Mortality Table was selected for disabled annuitants.
Inflation Rate	2.50%

The discount rate used to measure the total pension liability was 6.75%% for Plan A. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers and non-employer contributing entities will be made at the actuarially determined contribution rates, which are calculated in accordance with relevant statutes and approved by the Board of Trustees and the Public Retirement Systems' Actuarial Committee. Based on those assumptions, PERS's fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

CAMERON PARISH AMBULANCE DISTRICT NO. 2

Notes to Financial Statements
December 31, 2018

Note 10 – Retirement Commitments (continued)

The long-term expected rate of return on pension plan investments was determined using a triangulation method which integrated the CAPM pricing model (top-down), a treasury yield curve approach (bottom-up) and an equity building-block model (bottom-up). Risk return and correlations are projected on a forward looking basis in equilibrium, in which best-estimates of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These rates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.00% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return is 7.62% for the year ended December 31, 2017.

Best estimates of arithmetic real rates of return for each major asset class included in the System’s target asset allocation as of December 31, 2017 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Portfolio Real Rate of Return
Fixed income	35%	1.24%
Equity	52%	3.57%
Alternatives	11%	0.69%
Real assets	2%	0.12%
Totals	100%	5.62%
Inflation		2.00%
Expected Arithmetic Nominal Return		7.62%

The mortality rate assumptions used was set based upon an experience study performed on plan data for their period January 1, 2010 through December 31, 2014. The data was then assigned credibility weighting and combined with a standard table to produce current levels of mortality. This mortality was then projected forward to a period equivalent to the estimated duration of the PERS’s liabilities. Annuity values calculated based on this mortality were compared to those produced by using a setback of standard tables. The result of the procedure indicated that the tables used would produce liability values approximating the appropriate generational mortality tables.

Sensitivity to Changes in Discount Rate

The following presents the net pension liability/asset of the participating employers as of December 31, 2017 calculated using the discount rate of 6.75%, as well as what the employers’ net pension liability/(asset) would be if it were calculated using a discount rate that is one percentage point lower 5.75% or one percentage point higher 7.75% than the current rate.

CAMERON PARISH AMBULANCE DISTRICT NO. 2

Notes to Financial Statements

December 31, 2018

Note 10 – Retirement Commitments (continued)

	Changes in Discount Rate: 2017		
	1%	Current	
	Decrease	Discount	1% Increase
	5.75%	Rate 6.75%	7.75%
Net Pension Liability (Asset)	\$ 734,924	\$ (149,061)	\$ (936,192)

Changes in Net Pension Liability

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

- A. *Difference between the expected and actual experience – Differences between expected and actual experience with regard to economic or demographic factors in the measurement of the total pension liability were recognized in pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining services lives of all employees that are provided with pensions through the pension plan. The difference between expected and actual experience resulted in a deferred inflow of resources in the amount of \$96,491 for the year ended December 31, 2018.*

- B. *Difference between projected and actual investments earnings – Differences between projected and actual investment earnings on pension plan investments were recognized in pension expense using the straight – line amortization method over a closed five – year period. The difference between projected and actual investment earnings resulted in a deferred inflow of resources in the amount of \$344,374 for the year ended December 31, 2018.*

- C. *The changes of assumptions about future economic or demographic factors were recognized in pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan. The changes of assumptions or other inputs resulted in deferred outflows of resources of \$188,137 and \$72,365 in deferred inflows of resources for the year ended December 31, 2018.*

- D. *Change in proportion – Changes in the employer’s proportionate shares of the collective net pension liability and collective deferred outflows of resources and deferred inflows of resources since the prior measurement date were recognized in employer’s pension expense (benefit) using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided pensions through the pension plan. The change in proportion resulted in a deferred outflow of \$5,576 for the year ended December 31, 2018.*

Note 11 – Post – Employment Benefits

The District does not provide any post-employment benefits; therefore, no disclosure for GASB Statement No. 75 - *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, is required.

CAMERON PARISH AMBULANCE DISTRICT NO. 2

Notes to Financial Statements
December 31, 2018

Note 12 – Contingencies/Litigation

In April 2010, the FBI seized the District's accounting records subsequent to the occurrence of defalcation and fraud committed by the former Executive Director and certain other parties associated with the District's monthly accounting function. More records were seized in July 2010 and most of these records have not been returned as the investigation has not concluded.

It was determined, that for the years 2005 through 2010, a total of \$386,030 was paid in excess salaries and compensation to the former Executive Director, and in fraudulent amounts to the employees of the accounting firm hired by the District to perform its accounting and financial duties. A substantial amount of the theft of the District funds and the excess compensation to the District Director began and occurred in the first quarter of 2010.

A formal suit had been filed by the Cameron Parish District Attorney on behalf of the District to handle litigation to recover these missing funds. The District received a letter from the Cameron Parish District Attorney on January 25, 2013. Settlement funds were received and available for deposit. A total of \$283,484 has been received by the parties associated with the fraud, reducing the amount owed to the District to \$0 at December 31, 2018. The remainder, \$102,546, was not collected by the District, and was considered unrecoverable.

Pending Litigation

The District is also a defendant in two lawsuits arising in the normal course of operations. In the aggregate, these claims seek monetary damages in significant amounts. The loss from the litigation in these matters is both probable and reasonably possible, yet cannot be estimated, and therefore, has not been accrued in the accompanying financial statements. The District carries insurance through commercial carriers that should be sufficient to cover all risks of loss.

CAMERON PARISH AMBULANCE DISTRICT NO. 2

Notes to Financial Statements
December 31, 2018

Note 13 – Compensation of Board Commissioners

A detail of compensation paid to individual board commissioners for the year ended December 21, 2018 is as follows:

Board Member	Amount
Glenn Trahan	\$ 306
Gwen Constance	134
Kattie Toups	67
Phyllis Doxey	290
Randall McFatter	477
Ronny Doucett	219
Total Compensation Paid to Board Members	<u>\$ 1,493</u>

Board commissioners receive 51 cents per mile mileage reimbursement for attendance of each board meeting.

Note 14 – Subsequent Events

Subsequent events were evaluated through June 28, 2019, which is the date the financial statements were available to be issued.

SUPPLEMENTAL INFORMATION

Cameron Parish Ambulance District No. 2

**Schedule of Employer's Share of Net Pension Liability
For the Year Ended December 31, 2018**

<u>Year Ended Dec 31</u>	<u>Employer Proportion of the Net Pension Liability (Asset)</u>	<u>Employer Proportionate Share of the Net Pensions Liability (Asset) (a)</u>	<u>Employer's Covered Employee Payroll (b)</u>	<u>Employer's Proportionate Share of the Net Pension Liability (Asset) as a percentage of its Covered Employee Payroll (a/b)</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</u>
2018	0.201%	(149,061)	1,274,399	11.70%	101.98%
2017	0.185%	381,160	1,236,107	30.84%	94.15%
2016	0.002%	457,344	1,097,582	41.67%	92.23%
2015	0.1778%	48,604	996,178	4.88%	99.15%

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

Cameron Parish Ambulance District No. 2

Schedule of Employer Contributions
For the Year Ended December 31, 2018

<u>Year Ended Dec 31</u>	<u>Contractually Required Contribution</u>	<u>Contributions in Relation to Contractually Required Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Employer's Covered Employee Payroll</u>	<u>Contributions as a % of Covered Employee Payroll</u>
2018	146,556	146,556	-	1,274,399	11.50%
2017	154,513	154,513	-	1,236,107	12.50%
... 2016	142,686	142,686	-	1,097,582	13.00%

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

Cameron Parish Ambulance District No. 2

**Notes to Retirement System Schedules
For the Year Ended December 31, 2018**

Parochial Employees' Retirement System

Changes of benefit terms - There were no changes of benefit terms for the year ended December 31, 2018.

Changes of assumptions - There were no changes of benefit assumptions for the year ended December 31, 2018.

CAMERON PARISH AMBULANCE DISTRICT NO. 2

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

Agency Head Name: Rhonda Coleman, Executive Director

Purpose	Amount
Salary	\$88,207
Benefits- Insurance	\$10,634
Benefits- Retirement	\$8,511
Benefits- Other	\$0
Car Allowance	\$0
Vehicle provided by government	\$0
Per Diem	\$0
Reimbursements	\$0
Travel	\$0
Registration fees	\$0
Conference travel	\$0
Continuing professional education fees	\$0
Housing	\$0
Unvouchered expenses	\$0
Special meals	\$0

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**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**

Board of Commissioners
Cameron Parish Ambulance District No. 2
Hackberry, LA

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 financial statements of the business activities of the Cameron Parish Ambulance District No. 2, a component unit of the Cameron Parish Police Jury, as of and for the years ended December 31, 2018 and 2017, and the related notes to the financial statements, which collectively comprise the Cameron Parish Ambulance District No. 2's basic financial statements, and have issued our report thereon dated June 28, 2019.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Cameron Parish Ambulance District No. 2's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the 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 District'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 Cameron Parish Ambulance District No. 2's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

This report is intended for the information and use of management of the Cameron Parish Ambulance District No. 2, the Cameron Parish Police Jury, and the Legislative Auditor of the State of Louisiana and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

McMullen and Mancuso, CPAs, LLC

McMullen and Mancuso CPAs, LLC

Sulphur, Louisiana
June 28, 2019

CAMERON PARISH AMBULANCE DISTRICT NO. 2
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the Year Ended December 31, 2018

There were no audit findings reported for the year ended December 31, 2017.

CAMERON PARISH AMBULANCE DISTRICT #2
Cameron, Louisiana

Statewide Agreed-Upon Procedures Report

December 31, 2018

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INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES

To the Board of Commissioners
Cameron Parish Ambulance District #2
Cameron Louisiana

We have performed the procedures enumerated below, which were agreed to by Cameron Parish Ambulance District #2 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 Entity's management is responsible for those C/C areas identified in the SAUPs.

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

The procedures and associated findings are as follows:

Written Policies and Procedures

1. Obtain the entity's written policies and procedures and observe that they address each of the following categories and subcategories, as applicable:

- a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget

The Ambulance District currently has policies and procedures to address the budgeting function.

- 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.

The Ambulance District currently has policies and procedures to address the purchasing function.

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

The Ambulance District currently has policies and procedures to address the disbursements function.

- d) ***Receipts/Collections***, including receiving, recording, and preparing deposits

The Ambulance District currently has policies and procedures to address the receipts/collections function.

Members

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Louisiana Society of Certified Accountants

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

The Ambulance District currently has policies and procedures to address the payroll/personnel function.

- 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

The Ambulance District currently has policies and procedures to address the contracting function.

- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers, and (5) monitoring card usage

The Ambulance District currently has policies and procedures to address the credit card function.

- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers

The Ambulance District currently has policies and procedures to address the travel and expense reimbursement function.

- 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.

The Ambulance District currently has policies and procedures to address some of the ethics function. They are currently working on additional ethics policies in order to address all functions.

- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

Not applicable.

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, or other equivalent document.

The Ambulance District Board of Commissioners met at least monthly throughout the fiscal year.

- b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the General Fund and major special revenue funds, as well as monthly financial statements (or budget to actual comparisons, if budgeted) for major proprietary funds.

The Ambulance District's minutes reference the monthly budget to actual comparison throughout the fiscal year.

- 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.

Observed the Ambulance District's prior year audit and the total net position did not have a negative ending balance.

Bank Reconciliations

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

Obtained listing of client bank accounts and management's representation that the listing is complete.

- a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date.

Obtained bank statements and reconciliations for all months in the fiscal year noting that bank reconciliations have been prepared within 2 months of the related statement closing date.

- b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation.

The bank reconciliations do not include written evidence that a member of management or a board member reviewed each bank reconciliation.

- c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months as of the end of the fiscal period.

There were no reconciling items that have been outstanding for more than (12) twelve months as of the end of the fiscal year.

Collections

4. Obtain 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.

Obtained listing of the cash collection location and management's representation that the listing is 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, obtain and inspect written policies and procedures relating to employee job duties at each location, and observe that job duties are properly segregated at each location such that:

- a) Employees that are responsible for cash collections do not share cash drawers/registers.

In the one location, the person responsible for collecting cash is bonded. The person does not share a cash register or drawer with any employees.

- 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 to her deposit.

In this location, the person responsible for collecting cash/check/money order can also deposit the cash in the bank but does not record the related transaction or reconcile the related bank accounts.

- 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 the deposit.

In this location, the person responsible for collecting cash/check/money order does not record the related transaction entries to the general ledger or subsidiary ledgers.

- 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.

In this location, the person responsible for reconciling cash/check/money order collections is not responsible for collecting cash.

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

All employees who have access to cash are covered with an insurance policy.

7. Randomly select two deposit dates for each of the bank accounts selected in procedure #3 under Bank Reconciliation. Obtain supporting documentation for each of the deposits and:

- a) Observe that receipts are sequentially pre-numbered.

No exceptions noted.

- b) Trace sequentially pre numbered receipts, system reports, and other related collection documentation to the deposit slip.

No exceptions noted.

- c) Trace the deposit slip total to the actual deposit per bank statement.

No exceptions noted.

- 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).

It was noted one of the deposits tested was not deposited within one day of receipt, and while the collection location is more than 10 miles from the depository, the deposit was not made within one week.

- e) Trace the actual deposit per bank statement to the general ledger.

No exceptions noted.

Non-Payroll Disbursements

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 (all if less than 5).

Obtained the general ledger listing of disbursements and management's representation that the listing is complete.

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

- a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.

The Executive Director can initiate, approve and place an order.

- b) At least two employees are involved in processing and approving payments to vendors.

This function is handled by the outside accounting firm used by the District.

- c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.

This function is handled by the outside accounting firm used by the District.

- d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

The employee/official responsible for signing checks does mail the payments 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, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:

- a) Observe that the disbursement matched the related original invoice/billing statement.

No exception noted.

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

Not applicable as most of the functions are handled by the outside accounting firm.

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

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

Obtained the list of all active credit cards and management's representation that the listing is complete.

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

- a) Observe 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. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]

Selected a monthly statement for each card and noted supporting documentation was not approved in writing by someone other than the authorized card holder. Written approval is not required as a matter of the District Policy.

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

No late fees were noted on various monthly statements selected for testing.

13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only).

No exceptions noted.

Travel and Expense Reimbursement

14. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:

- a) If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).

No exceptions noted.

- b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.

No exceptions noted.

- c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).

The business/public purpose was not documented on every reimbursement selected for testing.

- d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Not all reimbursements selected for testing were approved, in writing by someone other than the person receiving reimbursement.

Contracts

- 15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *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:

- a) 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.

As the Ambulance District did not have an exception in this AUP category tested during year 1, this category was not tested in year 2.

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

As the Ambulance District did not have an exception in this AUP category tested during year 1, this category was not tested in year 2.

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

As the Ambulance District did not have an exception in this AUP category tested during year 1, this category was not tested in year 2.

- 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.

As the Ambulance District did not have an exception in this AUP category tested during year 1, this category was not tested in year 2.

Payroll and Personnel

- 16. Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

Obtained the listing of employees with their related salaries and management's representation that the listing is complete.

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

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

As the Ambulance District did not have an exception in this AUP category tested during year 1, this category was not tested in year 2.

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

As the Ambulance District did not have an exception in this AUP category tested during year 1, this category was not tested in year 2.

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

As the Ambulance District did not have an exception in this AUP category tested during year 1, this category was not tested in year 2.

18. Obtain a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees/officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations, agree the hours to the employee/officials' cumulative leave records, and agree the pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files.

As the Ambulance District did not have an exception in this AUP category tested during year 1, this category was not tested in year 2.

19. Obtain 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.

As the Ambulance District did not have an exception in this AUP category tested during year 1, this category was not tested in year 2.

Ethics (excluding nonprofits)

20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above obtain ethics documentation from management, and:

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

No exceptions noted.

- b. Observe that the documentation demonstrates each employee/official attested through signature verification that he or she has read the entity's ethics policy during the fiscal period.

Observed signature verification that each employee/official read the District's ethics policy, but not during the fiscal period.

Debt Service

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

Not applicable.

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

Not applicable.

Other

23. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

Management has asserted that the Ambulance District had no misappropriations of public funds or assets.

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

The required notice is posted on the District's premises but not on its website, as the District has no website.

Management has reviewed and noted the exceptions above to the agreed upon procedures and will take steps necessary to implement procedures that are appropriate for the entity.

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

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

McMullen and Mancuso, CPAs, LLC

McMullen and Mancuso CPAs, LLC

Sulphur, Louisiana
June 28, 2019