

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

**ANNUAL FINANCIAL REPORT
DECEMBER 31, 2017**

Jackson Parish Ambulance Service District
Jonesboro, Louisiana

Financial Report
December 31, 2017

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JACKSON PARISH AMBULANCE SERVICE DISTRICT

JONESBORO, LOUISIANA 71251

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the Jackson Parish Ambulance Service District's (hereafter referred to as the District) annual financial report presents an overview and analysis of the District's financial activities for the year ended December 31, 2017. Certain comparative information with the previous year is presented to provide an overview of the District's operations.

Financial Highlights

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

Financial Analysis of the Ambulance District

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

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

Summary of Statement of Net Position

	<u>2017</u>	<u>2016</u>
ASSETS:		
Assets	\$8,873,248	\$7,743,706
Capital Assets, Net of Accumulated Depreciation	<u>1,088,329</u>	<u>1,160,506</u>
Total Assets	<u>\$9,961,577</u>	<u>\$8,904,212</u>
LIABILITIES:		
Current Liabilities- Payables	\$ 133,494	\$ 53,806
Noncurrent Liabilities- Compensated Absences	<u>52,633</u>	<u>54,558</u>
Total Liabilities	<u>\$ 186,127</u>	<u>\$ 108,364</u>
NET POSITION:		
Net Investment in Capital Assets	\$1,088,329	\$1,160,506
Unrestricted	<u>8,687,121</u>	<u>7,635,342</u>
Total Net Position	<u>\$9,775,450</u>	<u>\$8,795,848</u>

Summary of Statement of Revenue and Expenses

	<u>2017</u>	<u>2016</u>
REVENUES:		
Operating Revenues-		
Ambulance Service	\$2,113,788	\$1,578,299
Non-Operating Revenues-		
Property Taxes	1,196,468	1,217,410
Miscellaneous	<u>61,844</u>	<u>113,754</u>
Total Revenues	<u>\$3,372,100</u>	<u>\$2,909,463</u>
EXPENSES:		
Operating Expenses	\$2,346,683	\$2,207,876
Loss on Disposal of Assets	1,318	26,815
Statutory Deductions	<u>44,497</u>	<u>44,808</u>
Total Expenses	<u>\$2,392,498</u>	<u>\$2,279,499</u>
Change in Net Position	<u>\$ 979,602</u>	<u>\$ 629,964</u>

Sources of Revenue

Ambulance service revenue of \$2,113,788 was 63% of total revenue of the District for the year ended December 31, 2017.

Expenses

The majority of the District's total expenses is for payroll costs. For the year ended December 31, 2017, payroll costs (wages, taxes, retirement) amounted to \$1,317,535, or 56% of total operating expenses.

Capital Assets

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

Economic Factors

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

Contacting the Ambulance District's Financial Manager

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

Johnson, Thomas & Cunningham

Certified Public Accountants

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

Mark D. Thomas, CPA - A Professional Corporation
Roger M. Cunningham, CPA - A Professional Corporation
Jessica H. Broadway, CPA - A Professional Corporation
Ryan E. Todtenbier, CPA - A Professional Corporation

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities and major fund information of the Jackson Parish Ambulance Service District (District), a component unit of the Jackson Parish Police Jury, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and major fund information of the District as of December 31, 2017, 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 Budgetary Comparison Schedule as listed in the Table of Contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is presented for purposes of additional analysis and is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

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

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The Budgetary Comparison Schedule and Schedule of Compensation, Benefits, Other Payments to Agency Head or Chief Executive Officer are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 23, 2018, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Louisiana Legislative Auditor, we have issued a report dated May 23, 2018, on the results of the state wide agreed-upon procedures in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in *Government Auditing Standards*. The purpose of that report is solely to describe the scope of testing performed on those control and compliance areas identified in the Louisiana Legislative Auditor's state wide agreed-upon procedures, and the results of that testing, and not to provide an opinion on control or compliance.

Johnson, Thomas + Cunningham, CPA's
Johnson, Thomas & Cunningham, CPA's
Natchitoches, Louisiana

May 23, 2018

Jackson Parish Ambulance Service District
Statement of Net Position
Proprietary Fund
December 31, 2017

ASSETS:

Current Assets-

Cash & Cash Equivalents	\$ 7,097,160
Receivables	1,761,521
Prepaid Expenses	<u>12,417</u>

Total Current Assets \$ 8,871,098

Capital Assets-

Equipment	\$ 1,653,924
Building	796,139
Land	20,000
Accumulated Depreciation	<u>(1,381,734)</u>

Total Capital Assets \$ 1,088,329

Other Assets-

Deposits	\$ <u>2,150</u>
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Total Assets \$ 9,961,577

LIABILITIES & NET POSITION:

Current Liabilities-

Accounts Payable	\$ 28,866
Medicaid UPL Fee payable	75,261
Payroll Related Payables	<u>29,367</u>

Total Current Liabilities \$ 133,494

Non-Current Liabilities-

Compensated Absences	<u>52,633</u>
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Total Liabilities \$ 186,127

Net Position-

Net Investment in Capital Assets	\$ 1,088,329
Unrestricted	<u>8,687,121</u>
Total Net Position	\$ <u>9,775,450</u>

See notes to financial statements.

Jackson Parish Ambulance Service District
Statement of Revenues, Expenses and Changes in Net Position-
Proprietary Fund
For the Year Ended December 31, 2017

OPERATING REVENUES:	
Ambulance Service	<u>\$2,113,788</u>
OPERATING EXPENSES:	
Advertising	\$ 12,853
Auto Fuel, Oil, etc.	44,986
Billing Services & Supplies	116,081
Depreciation Expense	195,829
Insurance & Bonding	57,850
Insurance - Workmen's Compensation	71,438
Legal & Accounting	30,076
Outside Services	5,148
Office Supplies & Expenses	17,904
Payroll Taxes	89,317
Repairs and Maintenance	50,671
Retirement	43,751
Rent	4,110
Group Insurance	210,513
Salaries & Wages	1,184,467
Supplies	118,157
UPL Fee	35,527
Uniforms	6,072
Telephone & Utilities	34,932
Travel & Education	<u>17,001</u>
Total Operating Expenses	<u>\$2,346,683</u>
Operating Loss	<u>\$ (232,895)</u>
NON-OPERATING REVENUES (EXPENSES):	
Ad Valorem Taxes	\$1,196,468
Dividend Income- LWCC	39,961
Miscellaneous Revenue	4,410
Interest Income	17,473
Loss on Disposal of Assets	(1,318)
Statutory Deductions	<u>(44,497)</u>
Total Non-operating Revenues (Expenses)	<u>\$1,212,497</u>
Change in Net Position	\$ 979,602
Net Position-Beginning of Year	<u>8,795,848</u>
Net Position-End of Year	<u>\$9,775,450</u>

See notes to financial statements.

Jackson Parish Ambulance Service District
Statement of Cash Flows
Proprietary Fund
For the Year Ended December 31, 2017

CASH FLOWS FROM OPERATING ACTIVITIES:	
Cash Received from Customers	\$ 1,712,830
Cash Payments to Suppliers for Goods and Services	(896,732)
Cash Payments to Employees	(1,186,478)
Non-operating Revenue	<u>963,928</u>
Net Cash Provided by Operating Activities	\$ <u>593,548</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Purchase of Capital Assets	\$ <u>(124,970)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Investment Income	\$ <u>18,655</u>
Net Increase in Cash and Cash Equivalents	\$ 487,233
Cash and Cash Equivalents-Beginning of Year	<u>6,609,927</u>
Cash and Cash Equivalents-End of Year	\$ <u>7,097,160</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES:	
Operating Loss	\$ (232,895)
Adjustments to Reconcile Operating Loss to Net Cash Provided by Operating Activities-	
Depreciation	195,829
Non-operating Revenue	1,196,342
Changes in Assets and Liabilities-	
(Increase) Decrease in Prepaid Expenses	(10,118)
(Increase) Decrease in Accounts Receivable	(633,373)
Increase (Decrease) in Accounts Payable	79,774
Increase (Decrease) in Accrued Payroll	(86)
Increase (Decrease) in Compensated Absences	<u>(1,925)</u>
Net Cash Provided by Operating Activities	\$ <u>593,548</u>

See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

Jackson Parish Ambulance Service District
Notes to Financial Statements
December 31, 2017

INTRODUCTION

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

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

1. Summary of Significant Accounting Policies:

A. Basis of Presentation-

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

B. Reporting Entity-

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

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

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

Jackson Parish Ambulance Service District
Notes to Financial Statements
December 31, 2017

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

C. Fund Accounting-

The District uses one fund to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

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

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

D. Basis of Accounting-

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

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

Jackson Parish Ambulance Service District
Notes to Financial Statements
December 31, 2017

E. Cash and Cash Equivalents-

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

F. Compensated Absences-

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

G. Capital Assets-

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

H. Estimates-

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

2. Levied Taxes:

For the year ended December 31, 2017, taxes of 5.37 mills were levied on property with an assessed valuation totaling \$244,727,840. The District's tax calendar is presented in section 1D above.

Jackson Parish Ambulance Service District
Notes to Financial Statements
December 31, 2017

Total taxes collected for 2017 were \$1,196,468. The five largest taxpayers and their assessed valuation are as follows:

<u>Taxpayer</u>	<u>Assessed Value</u>
ETC Tiger Pipeline	\$47,786,620
Compass Energy Operating, LLC	46,142,850
Regency Intrastate Pipeline	21,637,490
WestRock	19,104,510
Enable Gas Transmission	10,982,180

3. Cash and Cash Equivalents:

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

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

The District's deposits of \$7,114,644 with financial institutions at December 31, 2017, were fully secured by FDIC insurance, pledged securities, and letters of credit with FHL Bank of Dallas.

4. Compensation of Board Members:

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

5. Post-Employment Benefits:

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

6. Commitments:

The District has two unused letters of credit with FHL Bank of Dallas. The first is for up to \$4,250,000 effective October 27, 2017 and expiring July 9, 2018, and the second is for up to \$250,000 effective April 28, 2017 and expiring July 3, 2018.

Jackson Parish Ambulance Service District
Notes to Financial Statements
December 31, 2017

7. Revenue Receivable:

At year-end, the District has \$1,761,521 in receivables as follows:

Intergovernmental-	
Ad Valorem Taxes	\$1,105,030
Accrued Interest Receivable	1,227
Employee Receivable	1,675
Insurance Refund Receivable	1,015
Accounts-	
Medicare	37,233
Private Insurance	37,747
Medicaid	187,401
Medicaid UPL	351,998
Patient Self-Pays	<u>38,195</u>
Total Accounts Receivable	<u>\$1,761,521</u>

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

8. Capital Assets:

Capital assets and depreciation activity as of and for the year ended December 31, 2017, is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets:				
Land	\$ 20,000	\$ -	\$ -	\$ 20,000
Building	796,139			796,139
Equipment	1,644,888	126,970	(117,934)	1,653,924
Total Assets	<u>\$ 2,461,027</u>	<u>\$ 126,970</u>	<u>\$ (117,934)</u>	<u>\$ 2,470,063</u>
Accumulated Depreciation:				
Equipment	\$ 1,166,174	\$ 195,829	\$ (114,616)	\$ 1,247,387
Building	134,347			134,347
Total Accumulated Depreciation	<u>\$ 1,300,521</u>	<u>\$ 195,829</u>	<u>\$ (114,616)</u>	<u>\$ 1,381,734</u>
Total Net Assets	<u>\$ 1,160,506</u>	<u>\$ (68,859)</u>	<u>\$ (3,318)</u>	<u>\$ 1,088,329</u>

Depreciation expense of \$195,829 was recorded for the year ended December 31, 2017.

Jackson Parish Ambulance Service District
Notes to Financial Statements
December 31, 2017

9. Deferred Compensation Plan:

The District provides a 457b plan to full-time employees that have been employed with the District for at least six months. Employees may contribute up to 10% of their salary. The District will match one-half of the employees' contributions, except for management employees. Management employees are entitled to a 200% match from the District. For the year ended December 31, 2017, the District's contribution amount was \$43,751, and the employee contribution amount was \$40,819.

10. Litigation and Claims:

Management has advised that there is no litigation pending against the District at December 31, 2017.

11. Lease Agreement - Land:

The District has entered into a land lease agreement with Ernest Conn. The lease is automatically renewable with the option to end the lease with a written mutual agreement between the District and Ernest Conn. The District is to pay \$150 a month due at the first of each month. The District is responsible for all utilities and establishing the utility lines. The land is to be leased for a location in Chatham with a mobile home, covered parking, employee parking, porch, sign, and small storage building.

12. Compensated Absences:

The following is a summary of compensated absences for the year ended December 31, 2017:

<u>Balance</u> <u>01-01-17</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12-31-17</u>
<u>\$54,558</u>	<u>\$0</u>	<u>\$1,925</u>	<u>\$52,633</u>

13. Subsequent Events:

Management has evaluated events through May 23, 2018, the date which the financial statements were available for issue. There were no items to be reported as subsequent events.

OTHER REQUIRED SUPPLEMENTARY INFORMATION

Jackson Parish Ambulance Service District
Schedule of Compensation, Benefits and Other Payments to
Agency Head or Chief Executive Officer
For the Year Ended December 31, 2017

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

<u>Purpose</u>	<u>Amount</u>
Salary	\$136,991
Benefits- Retirement	26,000
Benefits- SS & Medicare	9,848
Travel Reimbursements	<u>353</u>
Total	<u>\$173,192</u>

See independent auditor's report.

SUPPLEMENTAL INFORMATION

Johnson, Thomas & Cunningham

Certified Public Accountants

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

Mark D. Thomas, CPA - A Professional Corporation
Roger M. Cunningham, CPA - A Professional Corporation
Jessica H. Broadway, CPA - A Professional Corporation
Ryan E. Todtenbier, CPA - A Professional Corporation

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and the *Louisiana Governmental Audit Guide*, the financial statements of the business-type activities and major fund as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the Jackson Parish Ambulance Service District's (District) basic financial statements and have issued our report thereon dated May 23, 2018.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Johnson, Thomas + Cunningham, CPA's
Johnson, Thomas & Cunningham, CPA's
Natchitoches, Louisiana

May 23, 2018

Jackson Parish Ambulance Service District
Schedule of Audit Results
Year Ended December 31, 2017

I. Summary of Audit Results

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

II. Findings in Accordance with *Government Auditing Standards*

None identified.

III. Prior Year Findings

None identified.

Johnson, Thomas & Cunningham

Certified Public Accountants

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

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

We have performed the procedures enumerated below, which were specified and agreed to by the Jackson Parish Ambulance Service District to assist the agency in complying with the requirements of the Louisiana Legislative Auditor's (LLA) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal year ended December 31, 2017. We are required to perform each procedure and report the results, including any exceptions. The District is responsible for internal controls and compliance with laws and regulations relative to the SAUPs and for selecting the criteria and procedures and determining that such criteria and procedures are appropriate for your purposes.

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

Our procedures and associated findings are enumerated below.

Written Policies and Procedures

1. Obtain the entity's written policies and procedures and report whether those written policies and procedures address each of the following financial/business functions (or noted that the entity does not have any written policies and procedures), as applicable:

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

Written policies and procedures were obtained and address the functions noted above.

- **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.

Written policies and procedures were obtained and address the functions noted above.

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

Written policies and procedures were obtained and address the functions noted above.

- **Receipts**, including receiving, recording, and preparing deposits

No written policies and procedures for receipts were obtained.

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

Written policies and procedures were obtained and address the functions noted above.

- **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process

Written policies and procedures were obtained and address the functions noted above.

- **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

Written policies and procedures were obtained and address the functions noted above.

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

Written policies and procedures were obtained and address the functions noted above.

- **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy. Note: Ethics requirements are not applicable to nonprofits.

Written policies and procedures were obtained and address the functions noted above.

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

This section is not applicable to the District.

Board (or Finance Committee, if applicable)

2. Obtain and review the board/committee minutes for the fiscal period, and:

- Report whether the managing board met (with a quorum) at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, or other equivalent document.

- Report whether the minutes referenced or included monthly budget-to-actual comparisons on the General Fund and any additional funds identified as major funds in the entity's prior audit (GAAP-basis).
 - If the budget-to-actual comparisons show that management was deficit spending during the fiscal period, report whether there is a formal/written plan to eliminate the deficit spending for those entities with a fund balance deficit. If there is a formal/written plan, report whether the meeting minutes for at least one board meeting during the fiscal period reflect that the board is monitoring the plan.
- Report whether the minutes referenced or included non-budgetary financial information (e.g. approval of contracts and disbursements) for at least one meeting during the fiscal period.

No exceptions noted.

Bank Reconciliations

3. Obtain a listing of client bank accounts from management and management's representation that the listing is complete.

We were provided with the listing by management.

4. Using the listing provided by management, select all of the entity's bank accounts (if five accounts or less) or one-third of the bank accounts on a three year rotating basis (if more than 5 accounts). For each of the bank accounts selected, obtain bank statements and reconciliations for all months in the fiscal period and report whether:

- Bank reconciliations have been prepared;

The District has six bank accounts total, and we selected the minimum of five bank accounts. We obtained bank statements and reconciliations for all months in the fiscal period, noting that reconciliations have been prepared for all months, without exception.

- Bank reconciliations include evidence that a member of management or a board member (with no involvement in the transactions associated with the bank account) has reviewed each bank reconciliation; and

The bank reconciliations obtained did not contain evidence that management reviewed the bank reconciliations.

- If applicable, management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 6 months as of the end of the fiscal period.

Not applicable.

Collections

5. Obtain a listing of cash/check/money order (cash) collection locations and management's representation that the listing is complete.

Management provided the listing as requested.

6. Using the listing provided by management, select all of the entity's cash collection locations (if five locations or less) or one-third of the collection locations on a three year rotating basis (if more than 5 locations). For each cash collection location selected:

- Obtain existing written documentation (e.g. insurance policy, policy manual, job description) and report whether each person responsible for collecting cash is (1) bonded, (2) not responsible for depositing the cash in the bank, recording the related transaction, or reconciling the related bank account (report if there are compensating controls performed by an outside party), and (3) not required to share the same cash register or drawer with another employee.

No exceptions noted.

- Obtain existing written documentation (e.g. sequentially numbered receipts, system report, reconciliation worksheets, policy manual) and report whether the entity has a formal process to reconcile cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, by a person who is not responsible for cash collections in the cash collection location selected.

Management provided the documentation for the collection location, but the District does not have written policies and procedures related to the reconciling of cash collections to the general ledger, by a person who is not responsible for cash collections. However, deposits are made by an outside CPA office.

- Select the highest (dollar) week of cash collections from the general ledger or other accounting records during the fiscal period and:
 - Using entity collection documentation, deposit slips, and bank statements, trace daily collections to the deposit date on the corresponding bank statement and report whether the deposits were made within one day of collection. If deposits were not made within one day of collection, report the number of days from receipt to deposit for each day at each collection location.

Management provided the required documentation for the selected deposits. We noted that one deposit was made fourteen day after receipt.

- Using sequentially numbered receipts, system reports, or other related collection documentation, verify that daily cash collections are completely supported by documentation and report any exceptions.

Collection documentation was obtained and no exceptions were noted.

7. Obtain existing written documentation (e.g. policy manual, written procedure) and report whether the entity has a process specifically defined (identified as such by the entity) to determine completeness of all collections, including electronic transfers, for each revenue source and agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation) by a person who is not responsible for collections.

Management did not provide written procedures for collections.

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

8. Obtain a listing of entity disbursements from management or, alternately, obtain the general ledger and sort/filter for entity disbursements. Obtain management's representation that the listing or general ledger population is complete.

We obtained the general ledger and sorted for disbursements. We obtained management's representation that the general ledger population was complete.

9. Using the disbursement population from #8 above, randomly select 25 disbursements (or randomly select disbursements constituting at least one-third of the dollar disbursement population if the entity had less than 25 transactions during the fiscal period), excluding credit card/debit card/fuel card/P-card purchases or payments. Obtain supporting documentation (e.g. purchase requisitions, system screens/logs) for each transaction and report whether the supporting documentation for each transaction demonstrated that:

- Purchases were initiated using a requisition/purchase order system or an equivalent electronic system that separates initiation from approval functions in the same manner as a requisition/purchase order system.

A purchase order system is not used.

- Purchase orders, or an electronic equivalent, were approved by a person who did not initiate the purchase.

A purchase order system is not used.

- Payments for purchases were not processed without (1) an approved requisition and/or purchase order, or electronic equivalent; a receiving report showing receipt of goods purchased, or electronic equivalent; and an approved invoice.

With the exception of purchase orders, all appropriate documentation was provided for each applicable selection.

10. Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), report whether the person responsible for processing payments is prohibited from adding vendors to the entity's purchasing/disbursement system.

The person responsible for processing payments is not prohibited from adding vendors to the District's purchasing system. The accounting system does not allow for this level of user restriction, however is monitored by management.

11. Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), report whether the persons with signatory authority or who make the final authorization for disbursements have no responsibility for initiating or recording purchases.

We obtained the required documentation and noted that persons with signatory authority are not responsible for initiating or recording purchases.

12. Inquire of management and observe whether the supply of unused checks is maintained in a locked location, with access restricted to those persons that do not have signatory authority, and report any exceptions. Alternately, if the checks are electronically printed on blank check stock, review entity documentation (electronic system control documentation) and report whether the persons with signatory authority have system access to print checks.

We noted all unused checks are kept in locked drawers.

13. If a signature stamp or signature machine is used, inquire of the signer whether his or her signature is maintained under his or her control or is used only with the knowledge and consent of the signer. Inquire of the signer whether signed checks are likewise maintained under the control of the signer or authorized user until mailed. Report any exceptions.

Not applicable – no signature stamps or machines are in use at the District's office.

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

14. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards), 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.

Management provided the required listing.

Using the listing prepared by management, randomly select 10 cards (or at least one-third of the cards if the entity has less than 10 cards) that were used during the fiscal period, rotating cards each year.

Obtain the monthly statements, or combined statements if multiple cards are on one statement, for the selected cards. Select the monthly statement or combined statement with the largest dollar activity for each card (for a debit card, select the monthly bank statement with the largest dollar amount of debit card purchases) and:

- Report whether there is evidence that the monthly statement or combined statement and supporting documentation 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.]]

Monthly statements were obtained and invoices were approved by someone other than the authorized card holder.

- Report whether finance charges and/or late fees were assessed on the selected statements.

No finance charges or fees were noted.

15. Using the monthly statements or combined statements selected under #15 above, obtain supporting documentation for all transactions for each of the 10 cards selected (i.e. each of the 10 cards should have one month of transactions subject to testing).

- For each transaction, we report whether the transaction is supported by:

- An original itemized receipt (i.e., identifies precisely what was purchased)

Original fuel receipts were provided for each transaction selected.

- Documentation of the business/public purpose. For meal charges, there should also be documentation of the individuals participating.

No exceptions noted.

- Other documentation that may be required by written policy (e.g., purchase order, written authorization.)

No exceptions noted.

- For each transaction, we compared the transaction's detail (nature of purchase, dollar amount of purchase, supporting documentation) to the entity's written purchasing/disbursement policies and the Louisiana Public Bid Law (i.e. transaction is a large or recurring purchase requiring the solicitation of bids or quotes) and report any exceptions.

We noted no exceptions in the selected transactions.

- For each transaction, we compared the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. cash advances or non-business purchases, regardless whether they are reimbursed). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.

We noted no exceptions in the selected transactions.

Travel and Expense Reimbursement

17. Obtain from management a listing of all travel and related expense reimbursements, by person, during the fiscal period or, alternately, obtain the general ledger and sort/filter for travel reimbursements. Obtain management's representation that the listing or general ledger is complete.

We compiled the listing of travel reimbursements from the general ledger. Management represented that the listing was complete.

18. Obtain the entity's written policies related to travel and expense reimbursements. Compare the amounts in the policies to the per diem and mileage rates established by the U.S. General Services Administration (www.gsa.gov) and report any amounts that exceed GSA rates.

Policies were obtained. No amounts listed exceed GSA rates.

19. Using the listing or general ledger from #17 above, select the three persons who incurred the most travel costs during the fiscal period. Obtain the expense reimbursement reports or prepaid expense documentation of each selected person, including the supporting documentation, and choose the largest travel expense for each person to review in detail. For each of the three travel expenses selected:

- Compare expense documentation to written policies and report whether each expense was reimbursed or prepaid in accordance with written policy (e.g., rates established for meals, mileage, lodging). If the entity does not have written policies, compare to the GSA rates (#18 above) and report each reimbursement that exceeded those rates.

We noted no exceptions with the District's written policies in the selected transactions.

- Report whether each expense is supported by:
 - An original itemized receipt that identifies precisely what was purchased. [Note: An expense that is reimbursed based on an established per diem amount (e.g., meals) does not require a receipt.]

We were provided with an itemized receipt for each of the selected transactions, without exception.

- Documentation of the business/public purpose (Note: For meal charges, there should also be documentation of the individuals participating).

No exceptions noted.

- Other documentation as may be required by written policy (e.g., authorization for travel, conference brochure, certificate of attendance)

We noted all required documentation was provided with each of the selected transactions, without exception.

- Compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. hotel stays that extend beyond conference periods or payment for the travel expenses of a spouse). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.

We noted no exceptions in the selected transactions.

- Report whether each expense and related documentation was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

No exceptions noted.

Contracts

20. Obtain a listing of all contracts in effect during the fiscal period or, alternately, obtain the general ledger and sort/filter for contract payments. Obtain management's representation that the listing or general ledger is complete.

Management provided the requested listing and representation.

21. Using the listing above, select the five contract "vendors" that were paid the most money during the fiscal period (excluding purchases on state contract and excluding payments to the practitioner). Obtain the related contracts and paid invoices and:

- Report whether there is a formal/written contract that supports the services arrangement and the amount paid.

Formal/written contracts were provided to support the agreements.

- Compare each contract's detail to the Louisiana Public Bid Law or Procurement Code. Report whether each contract is subject to the Louisiana Public Bid Law or Procurement Code and:
 - If yes, obtain/compare supporting contract documentation to legal requirements and report whether the entity complied with all legal requirements (e.g., solicited quotes or bids, advertisement, selected lowest bidder)
 - If no, obtain supporting contract documentation and report whether the entity solicited quotes as a best practice.

No noncompliance noted.

- Report whether the contract was amended. If so, report the scope and dollar amount of the amendment and whether the original contract terms contemplated or provided for such an amendment.

We noted no amendment to the contracts selected.

- Selected the largest payment from each of the five contracts, obtain the supporting invoice, compare the invoice to the contract terms, and report whether the invoice and related payment complied with the terms and conditions of the contract.

No exceptions noted.

- Obtain/review contract documentation and board minutes and report whether there is documentation of board approval, if required by policy or law (e.g. Lawrason Act or Home Rule Charter).

No exceptions noted.

Payroll and Personnel

22. Obtain a listing of employees (and elected officials, if applicable) with their related salaries, and obtain management's representation that the listing is complete. Randomly select five employees/officials, obtain their personnel files, and:

- a) Review compensation paid to each employee during the fiscal period and report whether payments were made in strict accordance with the terms and conditions of the employment contract or pay rate structure.

No exceptions noted.

- b) Review changes made to hourly pay rates/salaries during the fiscal period and report whether those changes were approved in writing and in accordance with written policy.

Changes made to hourly pay rates/salaries were approved in writing.

23. Obtain attendance and leave records and randomly select one pay period in which leave has been taken by at least one employee. Within that pay period, randomly select 25 employees/officials (or randomly select one-third of employees/officials if the entity had less than 25 employees during the fiscal period), and:

- a) Report whether 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.)

All of the 25 employees selected documented daily attendance and leave.

- a) Report whether there is written documentation that supervisors approved, electronically or in writing, the attendance and leave of the selected employees/officials.

Supervisory approvals were noted on all selections, without exception.

- b) Report whether there is written documentation that the entity maintained written leave records (e.g., hours earned, hours used, and balance available) on those selected employees/officials that earn leave.

We observed the written leave records maintained for all selections, without exception.

24. Obtain from management a list of those employees/officials that terminated during the fiscal period and management's representation that the list is complete. If applicable, select the two largest termination payments (e.g., vacation, sick, compensatory time) made during the fiscal period and obtain the personnel files for the two employees/officials. Report whether the termination payments were made in strict accordance with policy and/or contract and approved by management.

There were four employees terminated during the fiscal period. None were entitled to termination payment.

25. Obtain supporting documentation (e.g. cancelled checks, EFT documentation) relating to payroll taxes and retirement contributions during the fiscal period. Report whether the employee and employer portions of payroll taxes and retirement contributions, as well as the required reporting forms, were submitted to the applicable agencies by the required deadlines.

We obtained documentation relating to payroll taxes and retirement contributions, without exception.

Ethics (excluding nonprofits)

26. Using the five randomly selected employees/officials from procedure #22 under "Payroll and Personnel" above, obtain ethics compliance documentation from management and report whether the entity maintained documentation to demonstrate that required ethics training was completed.

The five randomly selected employees which were selected for payroll and personnel procedures, completed the required ethics training. No exceptions were noted.

27. Inquire of management whether any alleged ethics violations were reported to the entity during the fiscal period. If applicable, review documentation that demonstrates whether management investigated alleged ethics violations, the corrective actions taken, and whether management's actions complied with the entity's ethics policy. Report whether management received allegations, whether management investigated allegations received, and whether the allegations were addressed in accordance with policy.

Per inquiry of management, there were no alleged ethics violations reported to the District during the fiscal period.

Debt Service (excluding nonprofits)

28. If debt was issued during the fiscal period, obtain supporting documentation from the entity, and report whether State Bond Commission approval was obtained.

Not applicable – No debt was issued during the fiscal period.

29. If the entity had outstanding debt during the fiscal period, obtain supporting documentation from the entity and report whether the entity made scheduled debt service payments and maintained debt reserves, as required by debt covenants.

The District had no outstanding debt during the fiscal period.

30. If the entity had tax millages relating to debt service, obtain supporting documentation and report whether millage collections exceed debt service payments by more than 10% during the fiscal period. Also, report whether any millages continue to be received for debt that has been paid off.

The District had no tax millages related to debt service.

Other

31. Inquire of management whether the entity had any misappropriations of public funds or assets. If so, we obtain/review supporting documentation and report whether the entity reported the misappropriation to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

Per discussion with the District, there were no funds or assets misappropriated during the period.

32. We observed whether the entity has posted on its premises and website, the notice required by R.S. 24:523.1. This notice (available for download or print at www.la.gov/hotline) concerns the reporting of misappropriation, fraud, waste, or abuse of public funds.

We viewed the notice required by R.S. 24:523.1 posted on the District's premises and website.

33. If the practitioner observes or otherwise identifies any exceptions regarding management's representations in the procedures above, report the nature of each exception.

Not applicable – no exceptions noted.

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

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

Respectfully,

Johnson, Thomas + Cunningham, CPA's

Johnson, Thomas & Cunningham, CPA's

May 23, 2018
Natchitoches, Louisiana

Jackson Parish Ambulance Service District
Management's Response to Exceptions to
Statewide Agreed-Upon Procedures
For the Year Ended December 31, 2017

MANAGEMENT'S RESPONSE TO EXCEPTIONS:

- Item 1: Management will expand its current written policies to implement a specific written policy on receipts, including the functions of receiving, recording, and preparing deposits.
- Item 4: Management will amend its bank reconciliations policy and procedures to require evidence of review by management or board member (not involved in the transactions associated with the bank account).
- Item 6: Management will expand its written policies to implement a specific written policy related to the reconciling of cash collections to the general ledger, by a person who is not responsible for cash collections.
- Management will institute procedures to aid in enforcing its policy that all collections from each location are deposited on a daily basis.
- Item 7: Management will design and implement a process specifically defined to determine completeness of all collections, including electronic transfers, by a person who is not responsible for collections.
- Item 9: Management will implement procedures to ensure that all purchase request authorizations and invoices are approved, in writing, by management before the purchase or payment is made.
- Item 10: Management will implement procedures to ensure that the person responsible for processing payments is prohibited from adding vendors to the entity's purchasing system.