LOUISIANA RURAL AMBULANCE ALLIANCE

(A NOT FOR PROFIT ORGANIZATION)

FINANCIAL STATEMENTS

DECEMBER 31, 2018

Ambulance Alliance

LOUISIANA RURAL AMBULANCE ALLIANCE

(A NOT FOR PROFIT ORGANIZATION)

FINANCIAL STATEMENTS

DECEMBER 31, 2018

C O N T E N T S

P&N
Postlethwaite & Netterville

215 Saint Patrick St. – Donaldsonville, LA 70346
225-473-4179 Phone – 225-473-7204 Fax – pncpa.com

A Professional Accounting Corporation

INDEPENDENT AUDITORS' REPORT

Board of Directors
Louisiana Rural Ambulance Alliance
Napoleonville, Louisiana

We have audited the accompanying financial statements of Louisiana Rural Ambulance Alliance (a nonprofit organization), which comprise the statements of financial position as of December 31, 2018 and 2017, the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the 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.

P&N

Postlethwaite & Netterville

Opinion

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

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of compensation, benefits and other payments to chief executive officer on page 15 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 19, 2019, on our consideration of Louisiana Rural Ambulance Alliance'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 Louisiana Rural Ambulance Alliance's internal control over financial reporting and compliance.

Postlethwaite & Netterville

Donaldsonville, Louisiana
June 19, 2019

LOUISIANA RURAL AMBULANCE ALLIANCE
(A NOT FOR PROFIT ORGANIZATION)
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2018 AND 2017

	2018	2017
ASSETS		
Cash and cash equivalents	$ 155,747	$ 322,355
Accounts receivable	2,048,135	-
Due from government agencies	124,275	125,218
Prepaid expenses	19,444	9,206
Investments	589,801	1,260,100
Buildings and equipment, net	846,043	186,360
TOTAL ASSETS	$ 3,783,445	$ 1,903,239
LIABILITIES		
Accounts payable	$ 1,692,260	$ 9,981
TOTAL LIABILITIES	1,692,260	9,981
NET ASSETS		
Without donor restrictions	2,091,185	1,893,258
TOTAL LIABILITIES AND NET ASSETS	$ 3,783,445	$ 1,903,239

The accompanying notes are an integral part of these statements.

LOUISIANA RURAL AMBULANCE ALLIANCE
(A NOT FOR PROFIT ORGANIZATION)
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
YEARS ENDED DECEMBER 31, 2018 AND 2017

	Without Donor Restrictions	
	2018	2017
REVENUES AND OTHER SUPPORT		
Public support		
Grants and contracts with government agencies	$ 278,557	$ 503,237
Other revenue		
Service fee - Surge contract	2,048,135	93,298
Educational events and training	36,946	36,486
Interest and dividend income	25,530	15,666
Net unrealized gains (losses) on investments	(62,817)	31,371
Gain on sale of investments	6,473	3,068
Deepwater Horizon settlement	8,056	-
Miscellaneous	8,793	71,308
Total revenues and other support	2,349,673	754,434
EXPENSES AND LOSSES		
Program services		
Emergency response	1,750,198	116,524
Member services	342,621	600,334
Total program services	2,092,819	716,858
Support services		
General and administrative	58,927	76,108
Total support services	58,927	76,108
Total expenses	2,151,746	792,966
Loss on disposal of assets	-	47,505
Total expenses and losses	2,151,746	840,471
Change in net assets	197,927	(86,037)
Net assets at beginning of year	1,893,258	1,979,295
Net assets at end of year	$ 2,091,185	$ 1,893,258

The accompanying notes are an integral part of these statements.

LOUISIANA RURAL AMBULANCE ALLIANCE

(A NOT FOR PROFIT ORGANIZATION)

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2018 AND 2017

2018

	Program Services			Support Services	
	Emergency Response	Member Services	Total	General and Administrative	Total Expenses
Committees and memberships	$ -	$ 1,898	$ 1,898	$ -	$ 1,898
Continuing education	-	420	420	-	420
Contract services	1,719,737	207,303	1,927,040	15,000	1,942,040
Depreciation of buildings and equipment	-	17,889	17,889	7,248	25,137
Insurance	-	-	-	9,362	9,362
Meals and entertaiment	-	563	563	-	563
Miscellaneous	-	23,579	23,579	4,371	27,950
Professional services	15,613	33,079	48,692	19,693	68,385
Repairs and maintenance	-	12,275	12,275	-	12,275
Service charges	-	-	-	300	300
Supplies	14,848	37,675	52,523	238	52,761
Travel and lodging	-	7,940	7,940	-	7,940
Utilities	-	-	-	2,715	2,715
Total Expenses	$1,750,198	$342,621	$2,092,819	$ 58,927	$2,151,746

2017

	Program Services			Support Services	
	Emergency Response	Member Services	Total	General and Administrative	Total Expenses
Committees and memberships	$ -	$ 1,134	$ 1,134	$ -	$ 1,134
Continuing education	-	300	300	-	300
Contract services	88,687	265,277	353,964	1,314	355,278
Depreciation of buildings and equipment	-	65,934	65,934	54,384	120,318
Insurance	-	-	-	13,550	13,550
Meals and entertaiment	-	3,196	3,196	-	3,196
Miscellaneous	-	45,096	45,096	763	45,859
Professional services	4,115	129,023	133,138	-	133,138
Rent	-	3,250	3,250	-	3,250
Repairs and maintenance	-	23,971	23,971	-	23,971
Service charges	-	-	-	301	301
Supplies	16,544	47,813	64,357	20	64,377
Travel and lodging	7,178	15,340	22,518	-	22,518
Utilities	-	-	-	5,776	5,776
Total Expenses	$ 116,524	$600,334	$ 716,858	$ 76,108	$ 792,966

The accompanying notes are an integral part of these statements.

LOUISIANA RURAL AMBULANCE ALLIANCE
(A NOT FOR PROFIT ORGANIZATION)
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2018 AND 2017

	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ 197,927	$ (86,037)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	25,137	120,318
Net property and equipment loss	-	47,505
Net investment gains	(6,473)	(3,068)
Unrealized (gain) loss on investments	62,817	(31,371)
Donated equipment	-	(16,200)
(Increase) decrease in accounts receivable	(2,047,192)	339,594
(Increase) decrease in prepaids	(10,238)	8,821
Increase (decrease) in accounts payable	1,682,279	(89,596)
Net cash provided by (used in) operating activities	(95,743)	289,966
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of buildings and equipment	(684,820)	(24,485)
Purchases of investments	(25,530)	(615,666)
Proceeds from sales of investments	639,485	24,663
Net cash used in investing activities	(70,865)	(615,488)
Net decrease in cash and cash equivalents	(166,608)	(325,522)
Cash and cash equivalents at beginning of year	322,355	647,877
Cash and cash equivalents at end of year	$ 155,747	$ 322,355

NON-CASH INVESTING AND FINANCING ACTIVITIES		
Equipment received from a donor	$ -	$ 16,200

The accompanying notes are an integral part of these statements.

LOUISIANA RURAL AMBULANCE ALLIANCE
(A NOT FOR PROFIT ORGANIZATION)

NOTES TO FINANCIAL STATEMENTS

1. **Summary of Significant Accounting Policies**

Nature of Activities

The Louisiana Rural Ambulance Alliance (the Alliance) is a non-profit organization that formed on September 8, 1995, to promote the ambulance industry in the State of Louisiana. To accomplish this purpose, the Alliance engages in educational and legislative activities on behalf of its members.

Program Services

Emergency Response

The Alliance provides ambulatory services in the event of declared emergencies. Included in the ambulance services are staffing and operational support to the Bureau of Emergency Medical Services.

Member Services

The Alliance provides education, training and legislative services to the members of the Louisiana Ambulance Association.

Support Services

General and Administrative

The support service category includes the functions necessary to secure proper administrative functioning of the Alliance's governing board, maintain an adequate working environment, and manage financial responsibilities of the Alliance.

Basis of Accounting

The Alliance prepares its financial statements on the accrual basis of accounting. Accordingly, revenues from grants and contributions from government agencies, training, investments, and other sources are recognized when earned and expenses are recognized when incurred.

To ensure proper usage of restricted and unrestricted assets, the Alliance maintains its accounts according to accounting principles generally accepted in the United States of America, whereby funds are classified in accordance with specified restrictions or objectives.

Accounting Pronouncement Adopted

On August 18, 2016, FASB issued ASU 2016-14, Not-for-Profit Entities (Topic 958) – *Presentation of Financial Statements of Not-for-Profit Entities*. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. The Alliance has adjusted the presentation of these statements accordingly. The ASU has been applied retrospectively to all periods presented.

Cash and Cash Equivalents

The Alliance considers all cash accounts, money markets funds, and all highly liquid deposits with a maturity of three months or less when purchased to be cash and cash equivalents.

LOUISIANA RURAL AMBULANCE ALLIANCE
(A NOT FOR PROFIT ORGANIZATION)

NOTES TO FINANCIAL STATEMENTS

1. **Summary of Significant Accounting Policies** (continued)

Accounts Receivable

Management considers accounts receivable that are more than 180 days old to be past due and uncollectible. No reserve for uncollectible accounts has been established. Management has determined that all receivables as of each year-end are collectible.

Investments

Investments in marketable securities with readily determinable fair values are valued at their fair values in the statements of financial position. Investment expenses, such as investment advisory fees, are netted against investment income (loss) in the statements of activities and changes in net assets.

Buildings and Equipment

The Alliance capitalizes buildings and equipment over $1,500. Lesser amounts are expensed. Buildings and equipment are recorded at cost and are being depreciated using the straight-line methods over their estimated useful lives as follows:

Buildings	30 - 40 years
Other equipment	5 - 10 years

Net Assets

Net Assets Without Donor Restrictions

Net assets without donor restrictions are available for use at the discretion of the Board of Directors (the Board) and/or management for general operating purposes.

Net Assets With Donor Restrictions

Net assets with donor restrictions consist of assets whose use is limited by donor-imposed time and/or purpose restrictions.

The Alliance reports gifts of cash and other assets as revenue with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose of restriction is accomplished, the net assets are reclassified as net assets without donor restriction and reported in the statements of activities and changes in net assets as net assets released from restrictions.

The Alliance has no net assets with donor restrictions at December 31, 2018 or 2017.

1. **Summary of Significant Accounting Policies** (continued)

Revenue Recognition

The majority of the Alliance's revenue is derived from grants and contracts with government agencies. This revenue is recognized when the contract requirements are fulfilled by the Alliance. Including the Surge contract service fee, revenue from grants and contracts with government agencies accounts for approximately 99% and 79% of total revenue for the years ended December 31, 2018 and 2017, respectively.

Contributions of noncash assets are recorded at their fair values in the period received. Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received. The Alliance did not recognize any contributed services during the years ended December 31, 2018 and 2017, respectively.

Expenses

Expenses are recognized by the Alliance on an accrual basis. Expenses paid in advance and not yet incurred are recorded as prepaid until the applicable period.

Expenses are charged directly to programs in categories based on specific identification. Indirect expenses, if any, are allocated based on amounts approved by the respective contracts.

Functional Allocation of Expenses

The statements of functional expenses present expenses by function and natural classification. Expenses directly attributable to a specific functional area are reported as expenses of those functional areas. No allocation of general and administrative costs has been made to program services.

Concentrations of Credit Risk

At various times throughout the year, the carrying value of the Alliance's deposits were in excess of FDIC insurance. Management has determined that the risk of default is minimal.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

1. **Summary of Significant Accounting Policies** (continued)

Income Taxes

The Alliance accounts for income taxes in accordance with the income tax accounting guidance included in the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC).

The Alliance is a nonprofit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation. Therefore, the Alliance has not recorded a provision for income taxes in the accompanying financial statements.

Management has evaluated the Alliance's tax positions and concluded that the Alliance has taken no uncertain tax positions that require adjustment to or disclosure in the financial statements to comply with the provisions of the accounting guidance for income taxes.

Reclassifications

Certain amounts in the 2017 financial statements have been reclassified to conform to the 2018 presentation.

Accounting Pronouncements Issued but Not Yet Adopted

The FASB has issued Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers (Topic 606)*, to update its revenue recognition standard to clarify the principles of recognizing revenue and eliminate industry-specific guidance as well as help financial statement users better understand the nature, amount, timing, and uncertainty of revenue that is recognized. The standard may be applied either retrospectively to each period presented or as a cumulative-effect adjustment as of the date of adoption. This standard will be effective for the Alliance for annual periods beginning after December 15, 2018.

In June 2018, the FASB issued ASU No. 2018-08, *Not-for-Profit Entities (Topic 958), Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made*. The amendments in this ASU should assist organizations in (1) evaluating whether transactions should be accounted for as contributions (non-reciprocal transactions) within the scope of Topic 958, Not-for-Profit Entities, or as exchange (reciprocal) transactions subject to other guidance and (2) determining whether a contribution is conditional. This ASU is effective for the Alliance for the annual period beginning after December 15, 2018.

In February 2016, the FASB issued ASU 2016-02, *Leases*. This accounting standard requires lessees to recognize assets and liabilities related to lease arrangements longer than 12 months on the statement of financial position as well as additional disclosures. The updated guidance is effective for annual periods beginning after December 15, 2019.

The Alliance is currently assessing the impact of these pronouncements on its financial statements.

2. **Cash and Cash Equivalents**

At December 31, 2018 and 2017 the carrying amounts of the Alliance's deposits were $155,747 and $322,355, respectively. These deposits are at cost, which approximates market.

3. **Buildings and Equipment**

Buildings and equipment at December 31, 2018 and 2017 consist of the following:

	2018	2017
Building	$ 724,224	$ 105,255
Furniture and equipment	1,072,344	1,006,493
	1,796,568	1,111,748
Less: Accumulated depreciation	(950,525)	(925,388)
	$ 846,043	$ 186,360

Depreciation expense was $25,137 and $120,318 for the years ended December 31, 2018 and 2017, respectively.

4. **Grants and Contracts with Government Agencies**

Grants and contracts with government agencies for the years ended December 31, 2018 and 2017 consist of the following:

	2018	2017
Department of Health and Hospitals – EMS Allocation Fund	$ 188,846	$ 186,030
Department of Health and Hospitals – HRSA – ERHIT	-	90,447
Department of Health and Hospitals – HRSA - ACE	74,233	226,760
Department of Health and Hospitals – Opioid Response	15,478	-
Total	$ 278,557	$ 503,237

5. **Service Fee – Surge Contract**

The Alliance has a contract with the State of Louisiana to provide ambulance services as needed in the event of declared emergencies. Included in the ambulance services are staffing and operational support to Bureau of Emergency Medical Services. The Alliance requests reimbursement from the State of Louisiana at the contracted hourly rate for the respective ambulance services. These reimbursements have been reported in the statements of activities and changes in net assets as service fees. The number of hours billed each year can vary greatly depending upon the severity of the declared emergency. As of December 31, 2018 and 2017, $2,048,135 and $0, respectively, were due to the Alliance under this contract. These amounts are reported as accounts receivable in the statements of financial position.

6. Due from Government Agencies

The following represents the Alliance's due from government agencies at December 31, 2018 and 2017:

	2018	2017
HHS Grant Receivable	$ 111,724	$ -
Opioid Response Receivable	11,646	-
ACE for EMS Receivable	-	22,503
Other Receivables	905	102,715
Total	$ 124,275	$ 125,218

7. Investments and Fair Value of Financial Instruments

In accordance with the Fair Value Measurements and Disclosure topic of the FASB ASC, disclosure of fair value information about financial instruments is required. Fair value of a financial instrument is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value is best determined based upon quoted market prices. In cases where quoted market prices are not available, fair values are based on estimates using present value or other valuation techniques. Those techniques are significantly affected by the assumptions used, including the discount rate and estimates of future cash flows. Accordingly, the fair value estimates may not be realized in an immediate settlement of the instruments. Therefore, the aggregate fair value amounts presented do not represent the underlying value of the Alliance.

The fair value guidance provides a consistent definition of fair value, which focuses on exit price in an orderly transaction (that is, not a forced liquidation or distressed sale) between market participants at the measurement date under current market conditions. If there has been a significant decrease in the volume and level of activity for the asset or liability, a change in valuation technique or the use of multiple valuation techniques may be appropriate. In such instances, determining the price at which willing market participants would transact at the measurement date under current market conditions depends on the facts and circumstances and requires use of significant judgment. The fair value is a reasonable point within the range that is most representative of fair value under current market conditions.

In accordance with this guidance, the Alliance groups its financial assets and financial liabilities generally measured at fair value in three levels, based on the markets in which the assets and liabilities are traded and the reliability of the assumptions used to determine fair value.

- Level 1 – Valuation is based on quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date. Level 1 assets and liabilities generally include debt and equity securities that are traded in an active exchange market. Valuations are obtained from readily available pricing sources for market transactions involving identical assets or liabilities.

7. **Investments and Fair Value of Financial Instruments** (continued)

- Level 2 – Valuation is based on inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly. The valuation may be based on quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the asset or liability.
- Level 3 – Valuation is based on unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. Level 3 assets and liabilities include financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which determination of fair value requires significant management judgment or estimation.

A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

The following method and assumption was used by the Alliance in estimating its fair value disclosures for financial instruments:

Securities
Securities are classified within Level 1 where quoted market prices are available in an active market. Inputs include securities that have quoted prices in active markets for identical assets. If quoted market prices are unavailable, fair value is estimated using pricing models or quoted prices of securities with similar characteristics, at which point the securities would be classified within Level 2 of the hierarchy.

7. **Investments and Fair Values of Financial Instruments** (continued)

The following table presents for each fair value hierarchy level, the Alliance's financial assets and liabilities that are measured at fair value on a recurring basis:

December 31, 2018

	Level 1
Equity Securities:	
Information Technology	$ 52,817
Healthcare	39,086
Consumer	50,690
Industrial	34,142
Energy	28,310
Large Cap	27,481
Real Estate	24,906
Financial Services	21,572
Utilities	22,246
Other	12,553
Fixed Income Securities:	
Bond Fund	35,768
Income Fund	37,992
Exchange Traded Fund	130,831
Short-Term Investment Fund	50,187
Commodity Index Fund	21,220
	$ 589,801

7. **Investments and Fair Values of Financial Instruments** (continued)

December 31, 2017		
		Level 1
Equity Securities:		
Information Technology	$	72,831
Healthcare		72,009
Consumer		103,741
Industrial		72,828
Energy		58,441
Large Cap		51,775
Real Estate		25,309
Financial Services		58,304
Utilities		40,242
Other		24,881
Fixed Income Securities:		
Bond Fund		307,357
Income Fund		218,170
Short-Term Investment Fund		154,212
	$	1,260,100

8. **Availability and Liquidity Management**

The Alliance maintains a policy of structuring its financial assets to be available as its general expenses, liabilities, and other obligations come due. To help manage unanticipated liquidity needs, the Alliance has equity investments that are readily available to be sold.

The following table reflects the Alliance's financial assets as of December 31, 2018, and 2017, reduced by amounts that are not available to meet general expenses within one year of the statement of financial position date because of contractual restrictions. Amounts not available include certain investments with redemption limitations. There were no net assets with donor restrictions at December 31, 2018, and 2017.

8. **Availability and Liquidity Management** (continued)

	2018	2017
Cash and cash equivalents	$ 155,747	$ 322,355
Accounts receivable	2,048,135	-
Due from government agencies	124,275	125,218
Investments	589,801	1,260,100
Total financial assets	2,917,958	1,707,673
Investments with liquidity horizons greater than one year	(21,220)	-
Financial assets available to meet cash needs for general expenses within one year	$ 2,896,738	$ 1,707,673

9. **Related Party Transactions**

The Alliance has contracted with In the Know Publications, LLC to provide comprehensive association management services to the Alliance. In the Know Publications, LLC is owned by the Chief Executive Officer of the Alliance.

Payments were made to In the Know Publications, LLC for contract services and reimbursements of business expenses during the years ended December 31, 2018 and 2017. For the years ended December 31, 2018 and 2017, payments to In the Know Publications, LLC amounted to $173,527 and $253,409, respectively.

The Alliance had no outstanding balances to the In the Know Publications, LLC at December 31, 2018 or 2017.

10. **Subsequent Events**

Management has evaluated subsequent events through the date that the financial statements were available to be issued, June 19, 2019, and determined that no events occurred that required disclosure. No events occurring after this date have been evaluated for inclusion in these financial statements.

SUPPLEMENTARY INFORMATION

LOUISIANA RURAL AMBULANCE ALLIANCE
(A NOT FOR PROFIT ORGANIZATION)
SCHEDULE OF COMPENSATION, BENEFITS
AND OTHER PAYMENTS TO CHIEF EXECUTIVE OFFICER
YEAR ENDED DECEMBER 31, 2018

Chief Executive Officer: Donna Newchurch Landry

Purpose		2018
Amounts paid directly to the CEO		
Salary	$	-
Benefits		-
Contract Services		-
Travel		183
Reimbursements		9,780
	$	9,963

Amounts paid to In the Know Publications, LLC, wholly owned by the CEO		
Salary	$	-
Benefits		-
Contract Services		166,169
Travel		-
Reimbursements		7,358
Rent		-
	$	173,527

P&N
Postlethwaite & Netterville

215 Saint Patrick St. – Donaldsonville, LA 70346
225-473-4179 Phone – 225-473-7204 Fax – pncpa.com

A Professional Accounting Corporation

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 Directors
Louisiana Rural Ambulance Alliance
Napoleonville, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Louisiana Rural Ambulance Alliance (a nonprofit organization), which comprise the statements of financial position as of December 31, 2018, the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements, and have issued our report thereon dated June 19, 2019.

Internal Control over Financial Reporting

In planning and performing our audits of the financial statements, we considered Louisiana Rural Ambulance Alliance'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 Louisiana Rural Ambulance Alliance's internal control. Accordingly, we do not express an opinion on the effectiveness of Louisiana Rural Ambulance Alliance'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.

P&N

Postlethwaite & Netterville

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Louisiana Rural Ambulance Alliance'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 Alliance'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 Alliance's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Postlethwaite & Netterville

Donaldsonville, Louisiana
June 19, 2019

LOUISIANA RURAL AMBULANCE ALLIANCE
(A NOT FOR PROFIT ORGANIZATION)

SCHEDULE OF FINDINGS AND RESPONSES

YEAR ENDED DECEMBER 31, 2018

SECTION I - SUMMARY OF AUDIT RESULTS

The auditors' report expressed an unmodified opinion on the financial statements of Louisiana Rural Ambulance Alliance as of December 31, 2018.

SECTION II - FINANCIAL STATEMENT FINDINGS

None

LOUISIANA RURAL AMBULANCE ALLIANCE
(A NOT FOR PROFIT ORGANIZATION)

SCHEDULE OF PRIOR YEAR AUDIT FINDINGS AND RESPONSES

YEAR ENDED DECEMBER 31, 2018

FINANCIAL STATEMENT FINDINGS

None

P&N
Postlethwaite & Netterville

215 Saint Patrick St. – Donaldsonville, LA 70346
225-473-4179 Phone – 225-473-7204 Fax – pncpa.com

A Professional Accounting Corporation

To the Board of Directors
Louisiana Rural Ambulance Alliance
Napoleonville, LA.

We have audited the financial statements of the Louisiana Rural Ambulance Alliance (the Alliance) for the year ended December 31, 2018, and have issued our report thereon dated June 19, 2019. Professional standards suggest that we provide you with the following information related to our audit.

As stated in our engagement letter dated May 21, 2019 our responsibility, as described by professional standards, is to plan and perform our audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement and are fairly presented in accordance with generally accepted accounting principles. Because of the concept of reasonable assurance and because we did not perform a detailed examination of all transactions, there is a risk that material errors, irregularities, or illegal acts, including fraud and defalcations, may exist and not be detected by us.

As part of our audit, we considered the internal control structure of the Alliance. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control structure. During the course of the performance of our audit procedures and documentation of the Alliance's internal controls, we noted certain immaterial items that have been communicated to management by way of discussion. The following is a description of items that were of such significance to comment in a formal management letter.

ML-2018-001 Supporting Documentation and Approval

Finding: There was no supporting documentation for a disbursement made payable to the Chief Executive Officer. There was also no documentation of approval by the treasurer as required by the policies of the Alliance. Additionally, this check was not processed through the established disbursement procedures.

Recommendation: All disbursements should be supported by the proper documentation, approved by the treasurer as required, and processed in accordance with established procedures.

ML-2018-002 Reconciliation of Grant Expenses

Finding: Disbursements that are eligible for reimbursement under grant awards are properly segregated in the accounting records. Copies of the invoices are maintained in separate folders for each grant. In order to submit a request for reimbursement, a spreadsheet is prepared for each grant using these invoices. However, neither the spreadsheet nor the grant reimbursement request are reconciled to the accounting records.

Recommendation: The spreadsheets used to prepare the grant reimbursement requests should be reconciled to the accounting records to ensure completeness and accuracy.

This information is intended solely for the use of the Board and management of the Louisiana Rural Ambulance Alliance and should not be used for any other purpose.

Postlethwaite & Netterville

Donaldsonville, Louisiana
June 19, 2019

Louisiana Rural Ambulance Alliance

P.O. Box 242 ♦ Plattenville, LA 70393
5010 Hwy 1 ♦ Napoleonville, LA 70390
985-513-3593 ♦ www.louisianaambulancealliance.org

Management's Corrective Action Plan

June 19, 2019

Louisiana Legislative Auditor

Louisiana Rural Ambulance Alliance respectfully submits the following corrective action plan for the year ended December 31, 2018.

Name and address of independent public accounting firm:

Postlethwaite & Netterville, APAC
P. O. Box 1190
Donaldsonville, LA 70346

Financial Statement Period: January 1, 2018 – December 31, 2018

The findings from the Management Letter are discussed below. The findings are numbered consistently with the numbers assigned in the Management Letter.

MANAGEMENT LETTER
ML-2018-001 Supporting Documentation and Approval

Finding: There was no supporting documentation for a disbursement made payable to the Chief Executive Officer. There was also no documentation of approval by the treasurer as required by the policies of the Alliance. Additionally, this check was not processed through the established disbursement procedures.

Action Taken: We will ensure that all disbursements are supported by the proper documentation, approved by the treasurer as required, and processed in accordance with established procedures.

ML-2018-002 Reconciliation of Grant Expenses

Finding: Disbursements that are eligible for reimbursement under grant awards are properly segregated in the accounting records. Copies of the invoices are maintained in separate folders for each grant. In order to submit a request for reimbursement, a spreadsheet is prepared for each grant using these invoices. However, neither the spreadsheet nor the grant reimbursement request are reconciled to the accounting records.

Action Taken: We will establish a procedure to ensure grant reimbursement requests are reconciled to the accounting records to ensure completeness and accuracy.

The above corrective action plan addresses the current year findings. If you need additional information concerning the corrective action plan, please contact Donna Newchurch, CEO, P. O. Box 242 Plattenville, LA 70393.

Donna Newchurch

Donna Newchurch
Chief Executive Officer
Louisiana Rural Ambulance Alliance