

**GRAND ISLE
VOLUNTEER EMERGENCY SERVICES, INC.
(GIVES)
d/b/a
AMBULANCE DISTRICT NO. 2
OF JEFFERSON PARISH**

**ANNUAL FINANCIAL REPORT
Year Ended December 31, 2017**

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FINANCIAL SECTION

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Paul C. Rivera, CPA

INDEPENDENT AUDITOR'S REPORT

To the President and Board of
Grand Isle Volunteer Emergency Services, Inc. (GIVES)
Grand Isle, Louisiana

Report on the Financial Statements

I have audited the accompanying financial statements of the governmental activities and each major fund (i.e., the General Fund) of Grand Isle Volunteer Emergency Services, Inc. ("GIVES"), a non-profit entity d/b/a Ambulance District No. 2 of Jefferson Parish, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise GIVES'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 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

My responsibility is to express opinions on these basic financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States 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 I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidenced 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, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

Opinions

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of GIVES as of December 31, 2017 and the respective changes in financial position 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 on pages 3 through 10 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Other Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise GIVES's financial statements. The individual fund statements, schedules and supplemental information are presented for purposes of additional analysis and are not a required part of the financial statements.

These individual fund statements, schedules and supplementary information are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the individual fund, schedules, and supplementary information are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued a report dated June 10, 2018, on my consideration of GIVES's internal control over financial reporting and on my 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 my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering GIVES's internal control over financial reporting and compliance.

Paul C. Rivie, CPA

June 10, 2018
Marrero, Louisiana

GRAND ISLE EMERGENCY SERVICES, INC. (GIVES)
PO BOX 1035
GRAND ISLE, LA 70358

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of Grand Isle Emergency Management, Inc. ("GIVES"), a non-profit entity d/b/a Ambulance District No. 2 of Jefferson Parish, we offer readers of GIVES' financial statements this narrative overview and analysis of the financial activities of GIVES for the fiscal year ended December 31, 2017.

We encourage readers to consider the information presented here in conjunction with the financial statements, which begin on page 12.

FINANCIAL HIGHLIGHTS

- The assets of GIVES exceeded its liabilities at the close of the most recent fiscal year by \$306,877 (*net position*). Of this amount, \$151,102 or 49.2 percent is invested in capital assets, such as vehicles and equipment. The remaining balance of \$155,775 (*unrestricted net position*) or 50.8 percent may be used to meet the government's ongoing obligations to citizens and creditors.
- GIVES' total net position increased by \$30,483 or 11.0 percent during the current year because total revenues were more than total expenses by that amount. The increase was primarily caused by a decrease in program revenues which was offset by an even larger decrease in expenses.
- As of the close of the current fiscal year, GIVES' governmental fund (the General Fund) reported ending fund balance of \$155,775, an increase of \$41,526 or 36.3 percent in comparison with the prior year. Approximately \$155,775 or 100.0 percent of this total amount is available for spending at the government's discretion (*unassigned fund balance*).
- At the end of the current fiscal year, unassigned and total fund balance for the general fund was \$155,775 or 31.7 percent of total general fund expenditures.
- The Grand Isle Volunteer Fire Department (GIVFD) provides GIVES with administrative and operating support under a cooperative endeavor agreement. All of the employees of GIVES were transferred to GIVFD in 2007. For 2017, GIVES paid GIVFD \$396,997 under this agreement.
- GIVES had \$34,565 in outstanding long-term debt at December 31, 2017. This amount relates to a 2016 loan to purchase a new ambulance. The loan is payable over five years. GIVES made a payment of \$12,574 on this debt in 2017 (\$10,544 of principal and \$2,030 of interest).

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to GIVES' basic financial statements. GIVES' basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves. **Government-wide financial statements.** The "government-wide financial statements" are designed to provide readers with a broad overview of GIVES' finances, in a manner similar to a private-sector business.

The "Statement of Net position" presents information on all of GIVES' assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of GIVES is improving or deteriorating.

The "Statement of Activities" presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements are designed to distinguish functions of GIVES that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). It should be noted that GIVES only has governmental activities.

The government-wide financial statements include only the financial activities of GIVES, which are made up of the "private" account and the "public funds" account. The government-wide financial statements can be found on pages 12 and 13 of this report.

Fund financial statements. A "fund" is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. GIVES, because it is a "quasi-public" entity, uses fund accounting like state and local governments to ensure and demonstrate compliance with finance-related legal requirements.

GIVES' funds can be classified into three categories: governmental funds, proprietary funds, and fiduciary funds. As discussed below, GIVES only presents governmental funds.

Governmental funds. "Governmental funds" are used to account for essentially the same functions reported as "governmental activities" in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for "governmental funds" with similar information presented for "governmental activities" in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between "governmental fund" and "governmental activities".

GIVES maintains only one fund (the General Fund). Information is presented in the governmental fund balance sheet and in the governmental statement of revenues, expenditures, and changes in fund balances for the General fund.

GIVES is a "quasi-public" entity and is not required to adopt an annual budget. Thus, a budgetary comparison statement is not shown. The basic governmental fund financial statements can be found on pages 14 to 17 of this report.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 19 to 28 of this report.

Other Supplemental Information. Individual fund statements and schedules, which show additional detailed financial information on the General Fund, are found on pages 30 and 31. Information on compensation paid to the agency head is found on page 32.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of GIVES, assets exceeded liabilities by \$306,877 at December 31, 2017.

A portion of GIVES' net position (\$151,102 or 49.2 percent) reflects its investment in capital assets (e.g., land, buildings, furniture and fixtures, heavy equipment, and vehicles) less any related debt used to acquire those assets that is still outstanding. GIVES used these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although GIVES' investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other resources, since the capital assets themselves cannot be used to liquidate these liabilities.

Below is a comparison of GIVES' Statement of Net Position for 2017 and 2016.

GRAND ISLE EMERGENCY SERVICES, INC. (GIVES)

	Governmental Activities <u>2017</u>		Governmental Activities <u>2016</u>	
Current and other assets	\$ 175,246		\$ 126,164	
Capital assets	185,667		207,254	
Total assets	<u>360,913</u>		<u>333,418</u>	
Long-term liabilities outstanding	34,565		45,109	
Other liabilities	19,471		11,915	
Total liabilities	<u>54,036</u>		<u>57,024</u>	
Net position:				
Invested in capital assets, net of related debt	151,102	49.2%	196,710	71.2%
Restricted	-	0.0%	-	0.0%
Unrestricted	155,775	50.8%	79,684	28.8%
Total net position	<u>\$ 306,877</u>		<u>\$ 276,394</u>	

The balance of *unrestricted net position* (\$155,775 or 50.8 percent) may be used to meet the government's ongoing obligations to citizens and creditors.

At December 31, 2017, GIVES is able to report positive balances in all three categories of net position. GIVES' net position increased by \$30,483 or 11.0 percent during the current fiscal year.

Governmental Activities. During 2017, governmental activities increased GIVES' net position by \$30,483. Key elements of this increase are shown below as compared to 2016.

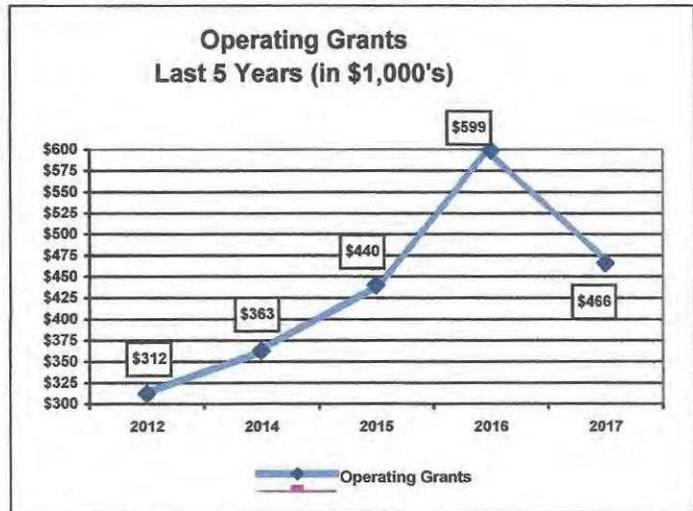
GRAND ISLE EMERGENCY SERVICES, INC. (GIVES)

	Governmental Activities		Governmental Activities	
	2017		2016	
Revenues:				
Program revenues:				
Charges for services	\$ 66,587	12.5%	\$ 74,034	11.0%
Operating grants and contributions	465,996	87.5%	598,579	88.9%
Capital grants and contributions	-	0.0%	-	0.0%
General revenues:				
Unrestricted charges for services	-	0.0%	-	0.0%
Unrestricted interest	164	0.0%	63	0.0%
Unrestricted gifts and donations	-	0.0%	300	0.0%
Gain (loss) on disposal of equipment	-	0.0%	-	0.0%
Miscellaneous	-	0.0%	-	0.0%
Total revenues	<u>532,747</u>	<u>79.2%</u>	<u>672,976</u>	<u>100.0%</u>
Expenses:				
Public Safety	502,264	100.0%	553,931	100.0%
Total expenses	<u>502,264</u>	<u>100.0%</u>	<u>553,931</u>	<u>100.0%</u>
Increase in net position	30,483		119,045	
Net position - beginning of year	276,394		157,349	
Net position - end of year	<u>\$ 306,877</u>		<u>\$ 276,394</u>	

- The program revenue - charges for services was \$66,587 during 2017. GIVES contracts with a private company to assist in billing insurance companies or Medicare for reimbursable services. These billings generated \$66,587 for 2017, a decrease of \$(7,447) or 10.1 percent. This decrease resulted from a decrease in activity and collections.
- Operating grants come from the Parish of Jefferson. The Parish levies an ad valorem tax in Grand Isle and remits a certain amount to GIVES each month to provide funding to the Ambulance District under a cooperative endeavor agreement. The number of mills levied was 10.99 (slightly higher than last year as the millage was renewed in a vote by the citizens in May 2014). This allocation came in at \$465,996 for 2017, which was \$(132,583) or 22.1 percent lower than last year. The decrease resulted a decrease in the taxable assessments on the tax rolls. The Parish also provided \$54,580 in BP economic settlement funds to GIVES in 2016. This did not recur in 2017.

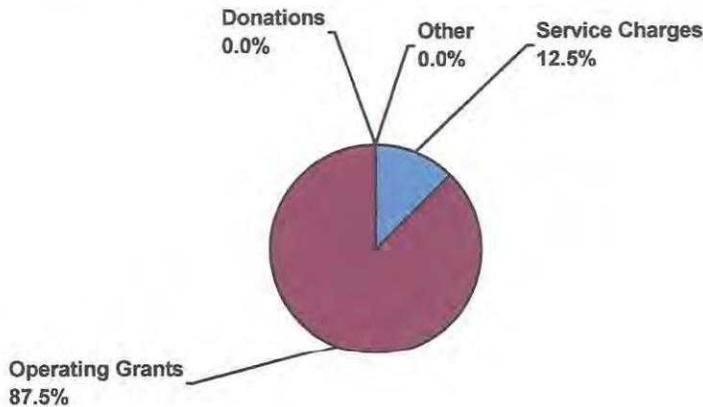
The graph shows the revenues from this tax over the past five years.

- Unrestricted gifts and donations totaled \$0- in 2017. For 2016, \$300 was received in donations.
- Interest income came in at \$164 for 2017.



A breakdown of the revenues received by GIVES' governmental activities is as follows

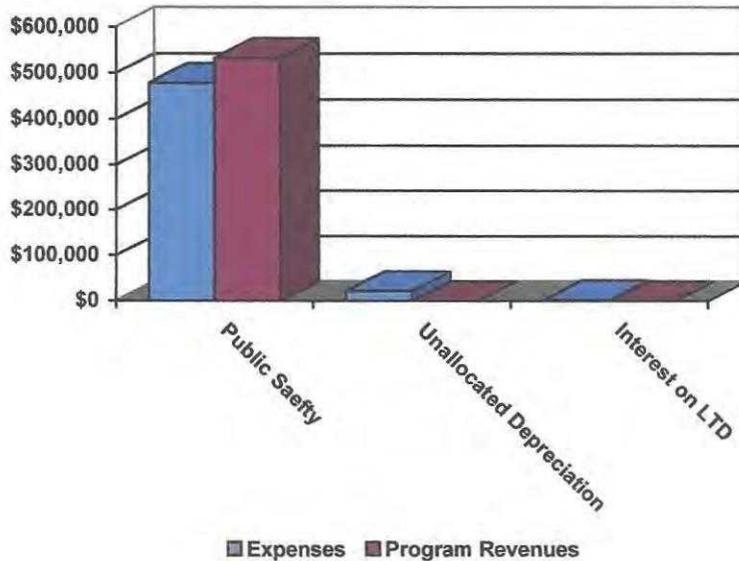
Revenues by Source - Governmental Activities



Expenses totaled \$502,264, including current year depreciation of \$21,587 and interest on long-term debt of \$2,030. As an ambulance district, the only function GIVES provides is the public safety function. These expenses of GIVES were offset by program revenues (service charges and grants) totaling \$532,583 (see above), leaving a net revenue (cost) to citizens of GIVES of \$30,319.

A graph comparing the expenses with the program revenue generated is presented below.

Expenses and Program Revenues by Function/Bureau



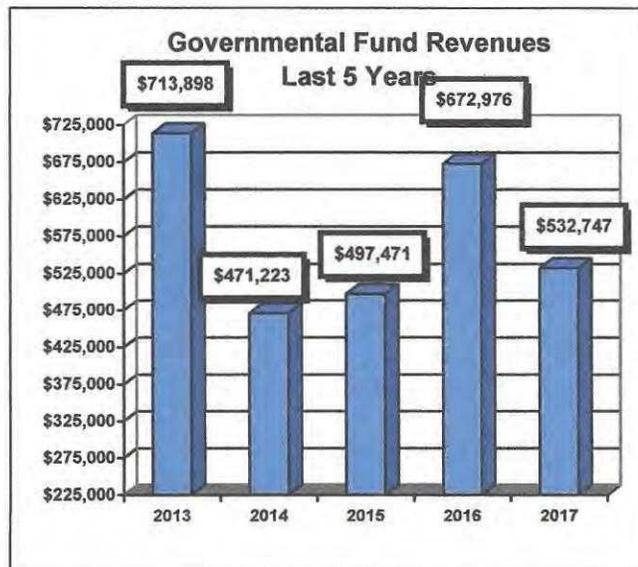
FINANCIAL ANALYSIS OF THE GOVERNMENT’S FUNDS

As noted earlier, GIVES uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The focus of GIVES’ “governmental funds” is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing GIVES’ financing requirements. In particular, *unreserved fund balance* may serve as a useful measure of a government’s net resources available for spending at the end of the fiscal year.

As of December 31, 2017, GIVES’ governmental fund (i.e., the General Fund) reported ending fund balance of \$155,775, an increase of \$41,526 or 36.3 percent in comparison over the prior year. Approximately \$155,775 or 100.0 percent of this total constitutes *unassigned fund balance*, which is available for spending at the government’s discretion.

As noted above, the governmental funds include the general operating funds of GIVES (i.e., the General Fund). Overall, as the graph shows, revenues of the Governmental Funds decreased from 2016. Because of the small size of the operating fund, operating and capital grants can create large swings in revenues when recognized. As discussed above, most of the decrease was caused by a drop in the amount of funds received from the Parish millage and the non-recurrence of an allocation from the BP economic settlement.



As a measure of the General fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned and total fund balance represents 31.7 percent of total general fund expenditures. This is an increase from 2016, when unassigned fund balance represented 20.9 percent of general fund expenditures.

The fund balance of GIVES' General fund increased by \$41,526 during the current fiscal year. Key factors in this change are as follows:

- The General Fund's revenues totaled \$532,747, while expenditures totaled \$491,221, and other financing sources totaled \$-0-.
- Revenues were made up of:
 - Intergovernmental revenues are made up of an intergovernmental allocation (i.e., Property taxes) from the Parish of Jefferson totaling \$465,996. This amount is \$(132,583) or 2.1 percent lower than 2016. The number of mills levied on the 2016 tax roll increased slightly to 10.99 upon the tax reassessment and roll-forward; however, most of the decrease was caused by a reduction in the taxable assessments of the tax rolls. The Parish also provided \$54,580 in BP economic settlement funds in 2016, which did not recur in 2017.
 - Service charges totaled \$66,587, made up of collections from insurance carriers for reimbursable costs. GIVES contracts with a private company to bill for ambulance services. A decrease of \$(7,447) resulted from a decrease in billings/collections.
 - Donations totaled \$-0- in 2017, down from \$300 in 2016.
- Expenditures totaled \$491,221, a decrease of \$(197,390) or 28.7 percent:
 - General and administrative costs totaled \$459,615. This category decreased \$(40,209) from last year due to: 1) a decrease of \$(24,133) in payments under the cooperative agreement with the GIVFD to provide administrative services (2017 was down due to decreased millages received from the Parish), 2) a decrease of \$(8,629) in insurance premiums (due to a switch in insurance agents/brokers), and 3) a decrease of \$(2,125) in professional services – training (non-recurrence of training program from last year). There were also several other cutbacks and decreases in most other line-items in this category.
 - Emergency training and supplies totaled \$17,189 – medical supplies were \$12,846, uniforms and shirts were \$35, training and educational costs were \$633, and gas and oil for the ambulances totaled \$3,675. This category decreased \$(3,959) due to a decrease in medical supplies purchased, a drop in uniforms (water rescue gear), and a drop in training.
 - Repairs and maintenance totaled \$1,843, all of which was spent on repairs to the ambulances.
 - Miscellaneous expenses totaled \$-0-, a drop from \$635 in the prior year.
 - Capital outlay totaled \$-0-, a drop from the \$144,430 spent in 2016 on the purchase of new radios and a new ambulance.
 - Debt service totaled \$12,574, as principal and interest payments were made on the loan for the new ambulance.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets. GIVES' investment in capital assets for its governmental activities as of December 31, 2017 amounts to \$151,102 (net of accumulated depreciation). This investment in capital assets includes land, buildings, furniture and fixtures, heavy equipment, and vehicles. GIVES' investment in capital assets decreased by \$(45,608) or 23.2 percent this year.

Major capital asset events during the current fiscal year included the following:

- \$-0- was spent on new capital assets in 2017
- \$21,587 was recognized as depreciation expense.

GRAND ISLE EMERGENCY SERVICES, INC. (GIVES)
CAPITAL ASSETS
 (NET OF DEPRECIATION)

	Governmental Activities	Governmental Activities
	2017	2016
Land	\$ -	\$ -
Buildings	1,725	2,125
Furniture and fixtures	1,108	1,488
Heavy Equipment	18,323	23,012
Vehicles	164,511	180,629
Total	\$ 185,667	\$ 207,254

Additional information on GIVES' capital assets can be found in Note D.2 on page 25.

Long-term Debt. At the end of 2017, GIVES had total outstanding debt of 34,565. This amount is the balance on the 2016 loan entered into to finance the purchase of a new ambulance. \$57,489 was originally borrowed. For 2017, a payment of \$12,574 was made (\$10,544 of principal and \$2,030 of interest). Additional information on the outstanding debt can be found in Note D.4 on page 26.

ECONOMIC FACTORS AND NEXT YEAR'S RATES

- The unemployment rate for the Parish of Jefferson is currently 3.6 percent, which is 0.9 percent lower than it was a year ago. Despite this drop at the parish level, in the coastal community of Grand Isle, which is heavily dependent on offshore oil and commercial fisheries (primarily shrimping), the rate is typically much higher.
- Inflationary trends in the region compare favorably to national indices.
- The ad valorem millage rate levied for the 2017 (next year's) tax roll was 10.99 mills, which is the same as the 2017 tax roll. Thus, revenues are expected to remain about the same.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of GIVES' finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Grand Isle Emergency Services, Inc., President, PO Box 1035, Grand Isle, Louisiana 70358.

BASIC FINANCIAL STATEMENTS

GRAND ISLE VOLUNTEER EMERGENCY SERVICES, INC. (GIVES)
d/b/a
AMBULANCE SERVICE DISTRICT NO. 2 OF JEFFERSON PARISH

STATEMENT OF NET POSITION
DECEMBER 31, 2017

	GOVERNMENTAL ACTIVITIES
	<hr/>
ASSETS	
Cash and cash equivalents	\$ 174,721
Receivables (net of allowance for uncollectibles)	525
Capital assets (net of accumulated depreciation)	
Land	-
Buildings	1,725
Furniture and fixtures	1,108
Heavy equipment	18,323
Vehicles	164,511
Infrastructure	-
Construction in progress	-
TOTAL ASSETS	<hr/> 360,913 <hr/>
LIABILITIES	
Accounts payable and other current liabilities	19,471
Noncurrent liabilities:	
Due within one year	11,019
Due in more than one year	23,546
TOTAL LIABILITIES	<hr/> 54,036 <hr/>
NET POSITION	
Net investment in capital assets	151,102
Restricted for:	
Debt service	-
Other	-
Unrestricted	155,775
TOTAL NET POSITION	<hr/> \$ 306,877 <hr/>

The accompanying notes are an integral part of this statement.

GRAND ISLE VOLUNTEER EMERGENCY SERVICES, INC. (GIVES)
d/b/a
AMBULANCE SERVICE DISTRICT NO. 2 OF JEFFERSON PARISH

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2017

FUNCTION	EXPENSES	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS PRIMARY GOVERNMENT GOVERNMENTAL ACTIVITIES
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	
Primary Government Governmental Activities:					
Public Safety	\$ 478,647	\$ 66,587	\$ 465,996	\$ -	\$ 53,936
Unallocated depreciation expense	21,587	-	-	-	(21,587)
Interest on long-term debt	2,030	-	-	-	(2,030)
Total governmental activities	<u>\$ 502,264</u>	<u>\$ 66,587</u>	<u>\$ 465,996</u>	<u>\$ -</u>	<u>30,319</u>
GENERAL REVENUES:					
					164
					-
					-
					-
TRANSFERS IN (OUT)					-
TOTAL GENERAL REVENUE AND TRANSFERS					<u>164</u>
CHANGE IN NET POSITION					30,483
NET POSITION					
					276,394
					<u>\$ 306,877</u>

The accompanying notes are an integral part of this statement.

GRAND ISLE VOLUNTEER EMERGENCY SERVICES, INC. (GIVES)
d/b/a
AMBULANCE SERVICE DISTRICT NO. 2 OF JEFFERSON PARISH

GOVERNMENTAL FUNDS
BALANCE SHEET
DECEMBER 31, 2017

	<u>General Fund</u>
ASSETS	
Cash and cash equivalents	\$ 174,721
Accounts Receivable	525
TOTAL ASSETS	<u><u>\$ 175,246</u></u>
 LIABILITIES AND FUND BALANCE	
Liabilities:	
Accounts payable	\$ 19,471
Total Liabilities	<u><u>19,471</u></u>
Fund Balances:	
Nonspendable	-
Restricted	-
Committed	-
Assigned	-
Unassigned	155,775
Total Fund Balance	<u><u>155,775</u></u>
TOTAL LIABILITIES AND FUND BALANCE	<u><u>\$ 175,246</u></u>

The accompanying notes are an integral part of this statement.

GRAND ISLE VOLUNTEER EMERGENCY SERVICES, INC. (GIVES)
d/b/a
AMBULANCE SERVICE DISTRICT NO. 2 OF JEFFERSON PARISH

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2017**

Amounts reported for governmental activities in the Statement of Net Position (page 12) are different because:

Total Fund Balances at December 31, 2017 - Governmental Funds (page 14)	\$	155,775
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets is \$451,887 and the accumulated depreciation is \$266,220.		185,667
Long-term liabilities, including compensated absences, are not due and payable in the current period and therefore are not reported in the funds. Long-term liabilities at year-end consist of:		
Notes Payable		(34,565)
Total Net Position of Governmental Activities at December 31, 2017 (page 12)	\$	<u>306,877</u>

The accompanying notes are an integral part of this statement.

**GRAND ISLE VOLUNTEER EMERGENCY SERVICES, INC. (GIVES)
d/b/a
AMBULANCE SERVICE DISTRICT NO. 2 OF JEFFERSON PARISH**

**GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>General Fund</u>
REVENUES	
Intergovernmental	\$ 465,996
Service charges and reimbursements	66,587
Donations and gifts	-
Miscellaneous	164
TOTAL REVENUES	<u>532,747</u>
EXPENDITURES	
Current	
Public Safety	
Personnel and related costs	-
General and administrative costs	459,615
Emergency training and supplies	17,189
Repairs and maintenance	1,843
Miscellaneous	-
Capital outlay	-
Debt Service	
Principal	10,544
Interest	2,030
TOTAL EXPENDITURES	<u>491,221</u>
EXCESS OF REVENUES OVER EXPENDITURES	41,526
OTHER FINANCING SOURCES	
Loan proceeds	-
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES	<u>41,526</u>
FUND BALANCE	
Beginning of year	114,249
End of year	<u>\$ 155,775</u>

The accompanying notes are an integral part of this statement.

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GRAND ISLE VOLUNTEER EMERGENCY SERVICES, INC. (GIVES)
d/b/a
AMBULANCE DISTRICT NO. 2 OF JEFFERSON PARISH
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Grand Isle Emergency Services, Inc. (GIVES), a non-profit entity d/b/a Ambulance District No. 2 of Jefferson Parish, have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units under the legal premise that GIVES is a "quasi-public" corporation. Quasi-public corporations are non-profit or private companies who are created to perform a public service and which receive the majority of their funding from public funds (i.e., taxes, grants, etc.). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of GIVES' accounting policies are described below.

1. Reporting Entity

GASB Codification Section 2100 establishes criteria for determining the governmental reporting entity and its component units. Component units are defined as legally separate organizations for which the elected officials of a primary government are financially accountable. The criteria used in determining whether financial accountability exists include the appointment of a voting majority of an organization's governing board, the ability of the primary government to impose its will on that organization or whether there is a potential for the organization to provide specific financial benefits or burdens to the primary government. Fiscal dependency may also play a part in determining financial accountability. In addition, a component unit can be another organization for which the nature and significance of its relationship with a primary government is such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Ambulance District No. 2 of Jefferson Parish (the "District") was created by Ordinance No. 18001 in 1990 to provide ambulance services to the citizens of the Town of Grand Isle and the surrounding area. The District is currently funded by a 10 mill ad valorem tax levied by the District via the Parish Council and is governed by the same Council that governs the Parish. As such, the District is reported as a component unit within the Parish's financial statements.

Under a cooperative endeavor agreement, the daily operations of the District are contracted out to Grand Isle Volunteer Emergency Services, Inc. (GIVES). GIVES was incorporated as a non-profit service corporation under Section 501(c)(3) of the Internal Revenue Code. GIVES has been classified as an entity that is not a private foundation within the meaning of Section 509(a) and qualifies for deductible contributions as provide in Section 170(b)(1)(A)(vi). GIVES is governed by a President and a Board of Directors which are elected by the membership. The accompanying statements report transactions related only to those of GIVES.

GRAND ISLE VOLUNTEER EMERGENCY SERVICES, INC. (GIVES)
d/b/a
AMBULANCE DISTRICT NO. 2 OF JEFFERSON PARISH
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 2017

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2. Government-wide and Fund Financial Statements

Government-wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of GIVES. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Because of the nature of GIVES' operations, GIVES reports only governmental activities.

The statement of activities demonstrates the degree to which the direct expense of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Fund Financial Statements

Funds are used by GIVES 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 related to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. The funds of GIVES are classified into the "governmental" category. The category, in turn, is divided into separate "fund types".

Governmental funds are used to account for all or most of a government's general activities, including the collection and disbursement of earmarked monies (special revenue funds), the acquisition or construction of general fixed assets (capital project funds), and the servicing of general long-term debt (debt service funds). The General Fund is used to account for all financial activities of the general government not accounted for in some other fund.

GRAND ISLE VOLUNTEER EMERGENCY SERVICES, INC. (GIVES)
d/b/a
AMBULANCE DISTRICT NO. 2 OF JEFFERSON PARISH
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 2017

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

GIVES reports the following major governmental funds:

The *General Fund* is the general operating fund of GIVES. It is used to account for all financial resources and expenditures. It includes the activity of the "private" account, as well as the "public funds" account.

3. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Governmental fund financial statements are reported using a *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Intergovernmental revenues received from the Parish in connection with the cooperative endeavor agreement are recognized in the year to be benefitted. All other service charges and intergovernmental revenues are recognized as received. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recognized as expenditures only when payment is due.

4. Budgets

As a quasi-public corporation, GIVES is not required to adopt a budget, therefore, a budget to actual statement is not presented in the accompanying financial statements. An informal budget is adopted for internal purposes for the General Fund.

5. Assets, Liabilities, and Net Position or Equity

A. *Cash and Investments*

For reporting purposes, cash and cash equivalents includes amounts in demand deposits, time deposits, and certificates of deposit. This includes the balances in the "private" account, as well as the "public funds" account.

Investments, if any, are stated at fair value, except for investments in government securities with maturities less than 1 year, which are stated at cost or amortized cost.

GRAND ISLE VOLUNTEER EMERGENCY SERVICES, INC. (GIVES)
d/b/a
AMBULANCE DISTRICT NO. 2 OF JEFFERSON PARISH
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 2017

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Inventories

The cost of materials and supplies acquired by GIVES are recorded as expenditures at the time of purchase. It is management's opinion that the inventory of such materials and supplies at December 31, 2017 would not be material to the financial statements.

C. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental activities column in the government-wide financial statements. Capital assets are defined by GIVES as assets with an initial, individual cost of more than \$250 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed and are included in construction in progress.

Property, plant, equipment, and infrastructure are depreciated using the straight-line method (with a mid-year convention) over the following estimated useful lives:

<u>Asset Category</u>	<u>Useful Life in Years</u>
Buildings	20
Furniture and fixtures	3 to 5
Heavy equipment	5
Vehicles	5 to 10
Infrastructure (if any)	40

D. Fund Equity

In accordance with Government Accounting Standards Board (GASB) Codification Section 1800.142-162, fund balances of the governmental fund types are categorized into one of five categories - Non-spendable, Restricted, Committed, Assigned, or Unassigned.

GRAND ISLE VOLUNTEER EMERGENCY SERVICES, INC. (GIVES)
d/b/a
AMBULANCE DISTRICT NO. 2 OF JEFFERSON PARISH
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 2017

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

For *assigned fund balances*, the President and/or Fire Chief may assign amounts to a specific purpose via internal memorandum, with the board's approval.

While GIVES has not established a policy for its use of unrestricted fund balance, it does consider that committed amounts would be reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

6. Use of Estimates

Preparation of financial statements in accordance with generally accepted accounting principles requires GIVES to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses/expenditures. Actual results could differ from the estimates that were used.

7. Subsequent Events

GIVES has evaluated subsequent events through June 10, 2018, the date the financial statements were available to be issued.

8. Expenses Paid by Others

The full-time firefighters of GIVES that meet certain qualifications, receive supplemental pay from the State of Louisiana under the provisions of LRS 33:2202. The amount of pay received as these supplemental state funds are paid directly to the firefighters and are not reflected in these statements.

9. Donated Services, Facilities, or Supplies

No amounts are reflected in the financial statements for donated services. Donated services include a substantial number of hours from volunteer firefighters/paramedics. These amounts are not readily determinable.

GRAND ISLE VOLUNTEER EMERGENCY SERVICES, INC. (GIVES)
d/b/a
AMBULANCE DISTRICT NO. 2 OF JEFFERSON PARISH
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 2017

NOTE B - RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

1. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-wide Statement of Activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net changes in fund balances - total governmental funds* and *changes in net position of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that "Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense." The details of this \$(21,587) difference are as follows:

Capital Outlay	\$	-
Depreciation expense		<u>(21,587)</u>
Net adjustment to increase <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net position - governmental activities</i>	\$	<u>(21,587)</u>

NOTE C - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

1. Compliance with Cooperative Endeavor Agreement

As a quasi-public corporation, GIVES is not subject to all of the general statutes governing political subdivisions and other governments within the State of Louisiana. Instead, GIVES must comply with the terms and conditions of the cooperative endeavor agreement it has with the Parish of Jefferson to operate the Ambulance District. As of December 31, 2017, GIVES was in compliance with all of the significant conditions of the agreement.

NOTE D - DETAILED NOTES ON ALL ACTIVITIES AND FUNDS

1. Deposits and Investments

The carrying amount of the GIVES' deposits at December 31, 2017 was \$174,721 and the bank balance was \$174,721. All of these amounts were covered by FDIC.

GRAND ISLE VOLUNTEER EMERGENCY SERVICES, INC. (GIVES)
d/b/a
AMBULANCE DISTRICT NO. 2 OF JEFFERSON PARISH
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 2017

NOTE D - DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

2. Capital Assets

The following is a summary of changes in the general fixed assets account group during the fiscal year:

	Balance January 1, 2017	Additions	Deletions	Transfers	Balance December 31, 2017
Governmental Activities:					
Capital assets, not being depreciated:					
Land	\$ -	\$ -	\$ -	\$ -	\$ -
Construction in progress	-	-	-	-	-
Total capital assets, not being depreciated	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Capital assets, being depreciated					
Buildings	\$ 8,000	\$ -	\$ -	\$ -	\$ 8,000
Furniture and fixtures	6,814	-	-	-	6,814
Heavy equipment	54,481	-	-	-	54,481
Vehicles	382,592	-	-	-	382,592
Total capital assets, being depreciated	<u>451,887</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>451,887</u>
Less accumulated depreciation:					
Buildings	(5,875)	(400)	-	-	(6,275)
Furniture and fixtures	(5,326)	(380)	-	-	(5,706)
Heavy equipment	(31,469)	(4,689)	-	-	(36,158)
Vehicles	(201,963)	(16,118)	-	-	(218,081)
Total accumulated depreciation	<u>(244,633)</u>	<u>(21,587)</u>	<u>-</u>	<u>-</u>	<u>(266,220)</u>
Capital assets being depreciated, net of accumulated depreciation	<u>\$ 207,254</u>	<u>\$ (21,587)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 185,667</u>
Total governmental activities, capital assets, net	<u>\$ 207,254</u>	<u>\$ (21,587)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 185,667</u>

GRAND ISLE VOLUNTEER EMERGENCY SERVICES, INC. (GIVES)
d/b/a
AMBULANCE DISTRICT NO. 2 OF JEFFERSON PARISH
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 2017

NOTE D - DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

3. Contracted Services

GIVES has a cooperative agreement with the Grand Isle Volunteer Fire Department (GIVFD), whereby GIVFD provides all administrative and accounting services for GIVES. In addition, in an effort to save money by consolidating operations, the employees of GIVES were transferred to GIVFD. Now, GIVFD employees are cross-trained and are responsible for responding to both fires and emergencies. In return, GIVES pays up to 85.0 percent of its millage allocation over to GIVFD to cover these costs. During 2017, GIVES made payments totaling \$396,097 to GIVFD under this arrangement. The total transfer amounted to 85.0 percent of its 2017 millage receipts.

4. Long-term Debt

Loan Agreement

Ambulance Loan

In 2016, GIVES entered into loan agreement for financing the acquisition of a new ambulance. This loan agreement bears an interest rate of 4.50 percent and is being paid over a five (5) year period. The total purchase of the vehicle was \$117,489 (\$115,000 base price plus \$2,489 for tax, title, and license). A down payment of \$60,000 was made, leaving a balance of \$57,489 to be financed. During 2017, GIVES made a payment of \$12,574 on this lease (principal of \$10,544 and interest of \$2,030). The balance of \$34,565 is included in the noncurrent liabilities on the Statement of Net Position.

Debt Service to Maturity

The following is a schedule of the future minimum loan payments under this agreement at December 31, 2017.

Year Ended December 31,	Ambulance Loan		
	Principal	Interest	Total
2018	\$ 11,019	\$ 1,555	\$ 12,574
2019	11,514	1,060	12,574
2020	12,032	542	12,574
Total Minimum Loan Payments	\$ 34,565	\$ 3,157	\$ 37,722

GRAND ISLE VOLUNTEER EMERGENCY SERVICES, INC. (GIVES)
d/b/a
AMBULANCE DISTRICT NO. 2 OF JEFFERSON PARISH
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 2017

NOTE D - DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

Changes in Long-Term Debt

The following is a summary of the changes in long-term debt related to governmental activities for the fiscal year ended December 31, 2017:

Type of Debt	Balance December 31, 2016	Additions	Reductions	Balance December 31, 2016	Due Within One Year
Ambulance Loan	\$ 45,109	\$ -	\$ (10,544)	\$ 34,565	\$ 11,019
	<u>\$ 45,109</u>	<u>\$ -</u>	<u>\$ (10,544)</u>	<u>\$ 34,565</u>	<u>\$ 11,019</u>

The amount shown on the Statement of Net Position as due within one year is \$11,019. The balance of \$23,546 is shown as due in more than one year.

5. Fund Balance Components

Per Note A.5.D., GIVES follows the requirements of Government Accounting Standards Board (GASB) Codification Section 1800-142-162. In accordance with this standard, in the fund financial statements, fund balances of the governmental fund types are categorized into one of five categories - Non-spendable, Restricted, Committed, Assigned, or Unassigned.

GIVES is reporting \$162,054 is shown as *unassigned* fund balance. These funds are available for spending in the future for any purpose.

NOTE E - ECONOMIC DEPENDENCE

In 1995, the public approved a 10 mill ad valorem tax to be levied in lieu of the Parish imposed service charge that was in effect. These taxes would provide the funding for Ambulance District No. 2 of Jefferson Parish. In January 1996, the Parish and GIVES entered into a cooperative endeavor agreement whereby GIVES, rather than the Town of Grand Isle, would be responsible for the day-to-day operations of GIVES. In return, the Parish would remit to GIVES, on a monthly basis, 1/12th of the currently budgeted revenues expected to be collected from the 10 mill tax. The contract was for the period January 1, 1996 to December 31, 2014. This agreement has not yet been renewed but is working on a month-to-month basis. 10.99 mills were levied on the 2016 tax rolls (based on a 10 year renewal of this tax in May 2014 and a roll-forward based on taxable assessments) and the remittance during 2017 totaled \$465,996. This amount equaled 87.5 percent of GIVES' total revenues.

Additionally, the Grand Isle Volunteer Fire Department (GIVFD) provides GIVES with the use of office space and some equipment at no cost. GIVES also now relies upon GIVFD for labor - See Note D.3.

GRAND ISLE VOLUNTEER EMERGENCY SERVICES, INC. (GIVES)
d/b/a
AMBULANCE DISTRICT NO. 2 OF JEFFERSON PARISH
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 2017

NOTE F - COMMITMENTS AND CONTINGENCIES

1. Risk Management

GIVES is exposed to various risks of loss resulting from personal injury; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. To protect against these risks of loss, GIVES purchases various types of insurance from commercial carriers.

Under these policies, general liability coverage is provided for up to a maximum of \$1,000,000 per occurrence (\$2,000,000 in the aggregate). Automobile liability coverage is provided for up to \$1,000,000. In each policy, GIVES is responsible for the deductible.

2. Litigation

There is no litigation pending against GIVES at December 31, 2017.

OTHER SUPPLEMENTAL INFORMATION

GRAND ISLE VOLUNTEER EMERGENCY SERVICES, INC. (GIVES)
d/b/a
AMBULANCE SERVICE DISTRICT NO. 2 OF JEFFERSON PARISH

GOVERNMENTAL FUNDS - GENERAL FUND
SCHEDULE OF REVENUES
FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>General Fund</u>
Intergovernmental	
Jefferson Parish contract:	
Direct payments - ad valorem taxes	\$ 465,996
Direct payments - BP settlement funds	-
	<u>465,996</u>
Service charges and reimbursements	
Reimbursements from insurance companies and citizens	66,587
	<u>66,587</u>
Donations and gifts	
Others	-
	<u>-</u>
Miscellaneous	
Interest	164
Sales of equipment	-
Other	-
	<u>164</u>
 TOTAL REVENUES	 <u>\$ 532,747</u>

GRAND ISLE VOLUNTEER EMERGENCY SERVICES, INC. (GIVES)
d/b/a
AMBULANCE SERVICE DISTRICT NO. 2 OF JEFFERSON PARISH

GOVERNMENTAL FUNDS - GENERAL FUND
SCHEDULE OF EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>General Fund</u>
Public Safety	
Current	
Personnel and related costs	
Salaries	\$ -
Boat Medic details	-
	<u>-</u>
General and administrative costs	
Alarm monitor	166
Bank charges	-
Billing services	8,170
Bookkeeping and auditing	3,000
Contracted services - GIVFD Admin	396,097
Dues and subscriptions	-
Groceries and supplies - station	281
Insurance - auto/general	46,887
Licenses and certificates	2,497
Miscellaneous	24
Office supplies	854
Postage	82
Professional services - training/license coordination	-
Rentals - equipment	1,480
Travel and other	-
Utilities - Electricity	77
	<u>459,615</u>
Emergency training and supplies	
Medical supplies	12,846
Uniforms and shirts	35
Training and educational	633
Gas and oil	3,675
	<u>17,189</u>
Repairs and maintenance	
R & M - buildings and equipment	373
R & M - vehicles	1,470
	<u>1,843</u>
Miscellaneous	
Gifts, flowers, and donations	-
	<u>-</u>
Capital outlay	
Vehicles and rescue equipment	-
Equipment	-
	<u>-</u>
TOTAL CURRENT	<u>478,647</u>
Debt Service	
Principal	10,544
Interest	2,030
TOTAL DEBT SERVICE	<u>12,574</u>
TOTAL EXPENDITURES	<u>\$ 491,221</u>

**GRAND ISLE VOLUNTEER EMERGENCY SERVICES, INC. (GIVES)
d/b/a
AMBULANCE SERVICE DISTRICT NO. 2 OF JEFFERSON PARISH**

**SCHEDULE OF COMPENSATION AND OTHER PAYMENTS
TO AGENCY HEAD OR CHIEF EXECUTIVE OFFICER
FOR THE YEAR ENDED DECEMBER 31, 2017**

Agency Head Name/Title: Joel Bradberry, Fire Chief

<u>Purpose</u>	<u>Amount</u>
Salary	\$ - (1)
State Supplemental Pay	-
Benefits - Insurance (Group Health)	-
Benefits - Retirement	-
Benefits - Other	-
Car Allowance	-
Vehicle Provided by Agency	-
Per Diem	-
Reimbursements	-
Travel	-
Registration Fees	-
Conference Travel	-
Continuing Professional Education Fees	-
Housing	-
Unvouchered Expenses	-
Special Meals	-

Notes to Schedule:

(1) GIVES' Chief and EMS employees are employees of the Grand Isle Volunteer Fire Department. These employees serve "dual" roles and work for both GIVES and the fire department. The fire department acts as the "paymaster" for all employees and records the salaries and benefits as expenditures on its books. As such, their salaries and benefits are paid for by the fire department and GIVES pays a portion of its dedicated ad valorem tax allocation to the fire department to help pay for those services. See the Grand Isle Volunteer Fire Department audit report for a schedule on agency head compensation.

COMPLIANCE SECTION

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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**

To the President and Board of Directors
Grand Isle Volunteer Emergency Services, Inc.
Grand Isle, Louisiana

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund (i.e., the General Fund) of the Grand Isle Emergency Services, Inc. (GIVES), a non-profit entity d/b/a Ambulance District No. 2 of Jefferson Parish, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise GIVES' basic financial statements, and have issued my report thereon dated June 10, 2018.

INTERNAL CONTROL OVER FINANCIAL REPORTING

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

My 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during my audit I did not identify any deficiencies in internal control that I

consider to be a material weakness. However, material weaknesses may exist that have not been identified. I did identify certain deficiencies in internal control, as described in the accompanying schedule of findings and responses, which I consider to be significant deficiencies in internal control over financial reporting (See Findings SD17-01, SD17-02, SD 17-03, and SD 7-04).

COMPLIANCE AND OTHER MATTERS

As part of obtaining reasonable assurance about whether GIVES' financial statements are free of material misstatement, I 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 my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance and other matters that are required to be reported under *Government Auditing Standards*.

GIVES' RESPONSE TO FINDINGS

GIVES' responses to the findings identified in my audit is described in the accompanying Schedule of Findings and Responses. GIVES' responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, I express no opinion on them.

PURPOSE OF THIS REPORT

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of GIVES' 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.



June 10, 2018
Marrero, Louisiana

**GRAND ISLE VOLUNTEER EMERGENCY SERVICES, INC. (GIVES)
D/B/A
AMBULANCE DISTRICT NO. 2 OF JEFFERSON PARISH**

**SCHEDULE OF FINDINGS AND RESPONSES
For the Year Ended December 31, 2017**

I have audited the financial statements of the Grand Isle Volunteer Emergency Services, Inc. (GIVES) as of and for the year ended December 31, 2017, and have issued my report thereon dated June 10, 2018. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. My audit of the financial statements as of December 31, 2017 resulted in an unqualified opinion.

SECTION I - SUMMARY OF AUDITOR'S RESULTS

- A. The auditor's report expresses an unqualified opinion on the financial statements of GIVES.
- B. Report on Internal Control and Compliance Material to the Financial Statements
 - Internal Control:
 - Significant Deficiencies were noted (see below).
 - No material Weaknesses were noted.
 - Compliance:
 - No instances of noncompliance material to the financial statements were noted.
- C. Federal Awards - not applicable
- D. Identification of Major Programs - not applicable

SECTION II - FINANCIAL STATEMENT FINDINGS

SIGNIFICANT DEFICIENCIES

SD Comment # 17-01 - Inadequate Segregation of Duties

Condition and Criteria - I noted that the size of GIVES' operations is too small to provide for an adequate segregation of duties. GIVES' bookkeeper/secretary is charged with most of the responsibilities relating to the cash receipts, cash disbursement, and financial reporting cycles. GIVES does, however, have various controls in place which tend to mitigate this problem, including (1) having the President/Chief review all bank reconciliations, (2) requiring dual signatures on all checks, and (3) requiring the presentation of actual revenue and expense reports on a monthly basis.

**GRAND ISLE VOLUNTEER EMERGENCY SERVICES, INC. (GIVES)
D/B/A
AMBULANCE DISTRICT NO. 2 OF JEFFERSON PARISH**

SCHEDULE OF FINDINGS AND RESPONSES (CONTINUED)

For the Year Ended December 31, 2017

Cause - Recently issued Statement of Auditing Standards (SAS) 115 requires that I report the above condition as a control deficiency. The SAS does not provide exceptions to reporting deficiencies that may be partially mitigated or deficiencies for which the remedy would be cost prohibitive or otherwise impractical.

Recommendation - Employing additional controls may not be cost beneficial, however, the Board should remain cognizant of the lack of segregation of duties.

Management's Response - We are aware of the condition, however, at this point we are not in the financial position of addressing the problem. The Board is aware of the condition and will continue to monitor the financial activity in a timely manner.

SD Comment # 17-02 - Preparation of Financial Statements by Auditor

Condition and Criteria - GIVES does not have controls in place for proper oversight of its financial reporting and for the preparation of financial statements in accordance with generally accepted accounting principle. As is common in small organizations, GIVES has chosen to engage the auditor to prepare its annual financial statements. This condition is intentional by management, along with the cost effectiveness of acquiring the ability to prepare the financial statements in accordance with generally accepted accounting principles.

Cause - Recently issued Statement of Auditing Standards (SAS) 115 requires that I report the above condition as a control deficiency. The SAS does not provide exceptions to reporting deficiencies that are mitigated with non-audit services rendered by the auditor or deficiencies for which the remedy would be cost prohibitive or otherwise impractical.

Recommendation - As mentioned, whether or not it would be cost effective to cure a control deficiency is not a factor in applying SAS 115's reporting requirements. Because prudent management requires that the potential benefit from an internal control must exceed its cost, it may not be practical to correct all the deficiencies noted under SAS 115. In this case, I do not believe that curing the significant deficiency described in this finding would be cost effective or practical and accordingly, I do not believe any corrective action is necessary.

Management's Response - GIVES' staff is familiar with the day-to-day accounting requirements; however, due to limited staffing and funding, we do not consider it practical to provide sufficient training to our staff in order to eliminate this condition and can only continue to rely on the auditor to prepare the financial statements at this time.

**GRAND ISLE VOLUNTEER EMERGENCY SERVICES, INC. (GIVES)
D/B/A
AMBULANCE DISTRICT NO. 2 OF JEFFERSON PARISH**

**SCHEDULE OF FINDINGS AND RESPONSES (CONTINUED)
For the Year Ended December 31, 2017**

SD Comment # 17-03 – Maintaining Proper Fixed Asset Records

Condition and Criteria - GIVES does not maintain a formal fixed assets ledger. Instead, it has chosen to rely on the external auditor to maintain a schedule of general fixed assets within an excel spreadsheet, which is adjusted each year during the audit. By not maintaining a general ledger on fixed assets, GIVES must wait until year end to calculate and post depreciation on fixed assets.

Cause - GIVES' software system (QuickBooks) was not set up to record and depreciate fixed assets.

Recommendation - GIVES should work towards entering the records relating to the fixed assets into the QuickBooks software system. This would allow for the timely capitalization and depreciation of all fixed assets.

Management's Response - We might look into doing this for the next fiscal year audit. Since we record our activity on a "cash-basis" of accounting, we do not see this as a must and are satisfied with relying on the year-end audit adjustments to reflect capitalization and depreciation activity.

SD Comment # 17-04 – Payment of Agency Expenditures by Proper Agency

Condition and Criteria – Many of GIVES's administrative duties are handled by the Grand Isle Fire Department's administrative staff, including the cash disbursements function and posting of expenditures. The invoices and bills of both the Grand Isle Fire Department and GIVES come to the same office for processing. They are typically paid for out of their own respective bank accounts and posted to their own set of books within QuickBooks by the Fire Department's bookkeeper. During 2017, I noted one invoice for insurance totaling \$6,279 for GIVES that was paid for by the Grand Isle Fire Department in error. A payable has been set up to reimburse them for the expense.

Cause – Occasionally, the bookkeeper erroneously pays an invoice for GIVES out of the Grand Isle Fire Department's checking account or vice versa.

Recommendation – The bookkeeper should be careful to inspect the invoice to determine which agency it is billed to and which account he is paying it out of. If it is erroneously paid out of the wrong account, it should be reimbursed in a timely manner.

Management's Response – This was an oversight on our bookkeeper's part and will be reimbursed. We will point this error out to management so that when they review the bills prior to payment, they also do a secondary review to ensure the proper agency is being charged for the expense.

REPORTABLE INSTANCES OF NONCOMPLIANCE

Not Applicable

**GRAND ISLE VOLUNTEER EMERGENCY SERVICES, INC. (GIVES)
D/B/A
AMBULANCE DISTRICT NO. 2 OF JEFFERSON PARISH**

**SCHEDULE OF FINDINGS AND RESPONSES (CONTINUED)
For the Year Ended December 31, 2017**

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Not Applicable

SECTION IV - STATUS OF PRIOR YEAR FINDINGS

The status of findings and questioned costs noted in prior years is noted below:

FINANCIAL STATEMENT FINDINGS

Prior Year Comment No.	Description	Status
SD# 16-01	Inadequate segregation of duties	See CY Comment SD# 17-01
SD# 16-02	Preparation of financial statements by auditor	See CY Comment SD# 17-02
SD# 16-03	Maintaining proper fixed asset and depreciation records	See CY Comment SD# 17-03

FEDERAL AWARDS - FINDINGS AND QUESTIONED COSTS

Not applicable

**AGREED-UPON PROCEDURES REPORT
AMBULANCE DISTRICT NO. 2 OF GRAND ISLE, LOUISIANA**

**Independent Accountant's Report
On Applying Agreed-Upon Procedures**

For the Period from January 1, 2017 to December 31, 2017

To the President and Board of Directors of
Grand Isle Emergency Services, Inc. (GIVES)
and the Louisiana Legislative Auditor:

I have performed the procedures enumerated below, which were agreed to by the Grand Isle Emergency Services, Inc. ("GIVES"), a non-profit entity d/b/a Ambulance District No. 2 of Jefferson Parish, and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2017 through December 31, 2017. GIVES' management is responsible for those C/C areas identified in the SAUPs.

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

The procedures and associated findings are as follows:

Written Policies and Procedures

1. Obtain the entity's written policies and procedures and report whether those written policies and procedures address each of the following financial/business functions (or report that the entity does not have any written policies and procedures), as applicable:
 - a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget
 - b) ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.
 - c) ***Disbursements***, including processing, reviewing, and approving
 - d) ***Receipts***, including receiving, recording, and preparing deposits

- e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.
- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process
- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers, and (5) monitoring card usage
- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers
- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy. Note: Ethics requirements are not applicable to nonprofits.
- j) **Debt Service**, including (1) debt issuance approval, (2) EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

RESULTS: Exceptions Noted - GIVES has no formal written policies on purchasing, disbursements, receipts, contracting, credit cards or travel and expense reimbursements. Payroll/Personnel, Budgeting, Ethics and Debt Service are not applicable to the entity.

Board (or Finance Committee, if applicable)

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

- a) 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.

RESULTS: The Board is scheduled to meet monthly. Per the minutes, the Board met 5 out of 12 months during 2017. Some of the meetings were cancelled for lack of a quorum and others due to threats of storms (hurricanes).

- b) 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.

RESULTS: The Fire Chief presents financial data to the Board on a monthly basis (or at least when meetings are held). The minutes of the meeting reflect this.

- c) 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.

RESULTS: The minutes of the Board meetings do reference a multitude of non-budgetary financial information, such as expense and repair approvals, requests for disbursements, etc.

Bank Reconciliations

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

RESULTS: I obtained a list of bank accounts from GIVES and management's representation that the list was complete. Per the listing, GIVES maintained 3 bank accounts during the fiscal year, two (2) of which received public funds.

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:
 - a) Bank reconciliations have been prepared;
 - b) 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
 - c) 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.

RESULTS: Based on the number of accounts maintained by GIVES, I selected the two accounts receiving public funds for testing (the checking and savings accounts). For those accounts, bank reconciliations were obtained for each month during the fiscal year, without exception. The bank reconciliations were prepared monthly by the bookkeeper and reviewed by the Assistant Fire Chief. Initials of the review were evident on the bank reconciliations. The Assistant Fire Chief does also review the bank reconciliations for old outstanding items. He includes notes on the bank reconciliation on what the disposition of the researched item should be (e.g., needs to be voided and reissued, etc.). For those accounts selected, I did not note any item outstanding more than 6 months.

Collections

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

RESULTS: I obtained a list of cash collection locations from GIVES and management's representation that the list was complete. Per the listing, GIVES's main station is the only cash collection location.

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:
 - a) 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.

RESULTS: Exception Noted - A review of GIVES's insurance policies show that the employees who handle deposits are not bonded. GIVES does not collect "cash" per se (their main collections come from the Parish via ACH deposits), although they do collect checks from emergency run billings. Also, due to the small size of the Accounting Department (only two employees – the Assistant Fire Chief and the bookkeeper), the employees receiving cash or checks, making up the deposits, and posting them to the ledger are the same people. They are also the same employees called upon to prepare and review the bank account reconciliations.

- b) 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.

RESULTS: GIVES does not use sequentially numbered receipts for its deposits nor does it utilize a subsidiary ledger. The third party billing company that it used to invoice insurance companies for emergency runs does provide a listing of billings sent which is reconciled to collections upon receipt.

- c) 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.

RESULTS: GIVES uses QuickBooks for its general ledger accounting. The ledger is posted daily; however, the system does not produce daily or weekly cash reports. As such, I could not select or test the highest dollar "week" of cash collections. Instead, I selected the highest dollar "month" of collections and used it for testing. Based on this testing, I noted that ten (10) deposits were made in the month of August 2017. Six (6) of the deposits were ACH deposits and four (4) were actual deposits of checks. Of the four deposits, three cleared within 1 day of receipt. One deposit cleared three days after receipt; however, the clearance date occurred over a weekend (deposit was dated on a Friday and the deposit cleared on a Monday).

- 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.

RESULTS: I vouched each of the 10 deposits to its supporting documentation and noted that each deposit was complete and properly supported.

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.

RESULTS: Exception Noted - The main sources of revenue to the GIVES is the allocation of ad valorem taxes received from the Parish of Jefferson and the emergency run billings received from insurance companies and others. These two revenue sources make up more than 99.9% of its revenues. Each year, the Parish's Budget Department sends the Assistant Fire Chief of GIVES a letter notifying him of that year's millage allocation and the monthly amount that they will be receiving. Each ACH is preceded by an email from the Parish's Finance Department supporting the ACH remittance for the month. Again, due to the limited staff size of GIVES accounting section, the Assistant Fire Chief or the bookkeeper are the one that these letters and emails go to and they are the ones responsible 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.

RESULTS: I obtained the general ledger posted during the year and I obtained management's representation that this ledger 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:
- a) 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.
 - b) Purchase orders, or an electronic equivalent, were approved by a person who did not initiate the purchase.
 - c) 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.

RESULTS: Exceptions Noted - Per the above, I selected 25 disbursements at random from the general ledger. This test of transactions included procedures for examining the supporting documentation for evidence of initiation of purchases, approval of the purchase separate from the person initiating it, and for evidence of a review and approval of all documents and/or receiving reports prior to paying the invoice. Neither requisitions nor purchase orders are used by GIVES; therefore, there is generally no documentation of the initiation or initiator of the transaction or approval of the purchase prior to it being made. Of the 25 purchases tested, 17 had no indication of who initiated the purchase, 25 had no indication of approval prior to purchase, and 25 had no indication that the payments were not processed without proper approval, a receiving report or an approved invoice. All of the transactions were properly supported by an invoice.

The only mitigating control here is that the check requires a dual signature; therefore, someone other than the Assistant Fire Chief does review and approve the purchase before payment is made.

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.

RESULTS: Exception Noted - GIVES utilizes QuickBooks as its Accounting System. New vendors are added to the system as invoices or transactions dictate. The Assistant Fire Chief or bookkeeper adds vendors to the system as needed. These are the same two people who process payments.

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.

RESULTS: Exception Noted - GIVES requires two (2) signatures on each check – one from the Fire Chief or the Board President and one from the Assistant Fire Chief or the Bookkeeper. All four of these individuals can initiate a purchase. Also, the Assistant Fire Chief and/or the Bookkeeper record the purchases in QuickBooks.

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.

RESULTS: Blank check stocks are maintained by GIVES's Assistant Fire Chief in his office in a locked file cabinet. The GIVES's Assistant Fire Chief's office is typically locked when the Assistant Fire Chief is not present. The Assistant Fire Chief's office is accessible to the Fire Chief or the Assistant Fire Chief. Again, due to the limited staff size, the Assistant Fire Chief is one of the people who has check signing authority on the account and he has access to the checks (although, the checks require two signatures).

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.

RESULTS: Not Applicable - Signature stamp or signature machine is not used. Only original signatures are accepted.

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.

RESULTS: Not Applicable – No credit cards, debit cards, or fuel cards in use by GIVES.

15. Using the listing prepared by management, randomly select 2 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:

- a) 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.]

RESULTS: Not Applicable – No credit cards, debit cards, or fuel cards in use by GIVES.

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

RESULTS: Not Applicable – No credit cards, debit cards, or fuel cards in use by GIVES.

16. 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).

- a) For each transaction, report whether the transaction is supported by:
- An original itemized receipt (i.e., identifies precisely what was purchased)
 - Documentation of the business/public purpose. For meal charges, there should also be documentation of the individuals participating.
 - Other documentation that may be required by written policy (e.g., purchase order, written authorization.)

RESULTS: Not Applicable – No credit cards, debit cards, or fuel cards in use by GIVES.

- b) For each transaction, compare 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.

RESULTS: Not Applicable – No credit cards, debit cards, or fuel cards in use by GIVES.

- c) For each transaction, 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. 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.

RESULTS: Not Applicable – No credit cards, debit cards, or fuel cards in use by GIVES.

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.

RESULTS: I obtained the general ledger posted during the year and I obtained management's representation that this ledger 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.

RESULTS: Exception Noted – GIVES has no formal written travel expense reimbursement policy. As such, I could not compare the rates to the guidelines set forth by GSA. GIVES does piggyback off of the Grand Isle Fire's policy of paying a \$50 daily per diem to employees for travel to cover meals. The GSA rates for meals was \$51 daily. Thus, GIVES was within the guidelines for meals. On the hotel rooms, GIVES paid an average of \$120 per night for a room to attend an EMS training conference, while GSA shows a maximum allowable rate of \$91 per night. Thus, the amount paid by GIVES exceeded the 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:
- a) 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.

RESULTS: Two employees attended an EMS training conference and received per diem rates that were in accordance with the per diem rates established by Grand Isle Fire Department and piggybacked on by GIVES. The daily rates were also within the rates allowed by GSA.

- b) 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.]
 - Documentation of the business/public purpose (Note: For meal charges, there should also be documentation of the individuals participating).
 - Other documentation as may be required by written policy (e.g., authorization for travel, conference brochure, certificate of attendance)

RESULTS: Not Applicable – travel related expenses were paid in the form of per diems, thus, no receipts were required.

- c) 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.

RESULTS: The hotel expenditures appeared proper.

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

RESULTS: The travel and per diem payments were reviewed and approved by the Fire Chief (someone other than the person receiving the reimbursement).

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.

RESULTS: I obtained the general ledger from GIVES and scanned it for contract payments. I obtained management's representation that the general ledger was complete. I noted only four (4) contracts for contracted services or purchases other than those to the practitioner or that were made on state contract.

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:

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

RESULTS: I examined contracts for the four contracts noted without exception.

- b) 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.

RESULTS: Not Applicable – none of the contracts tested were subject to the Louisiana Public Bid Law or Procurement Code.

- c) 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.

RESULTS: Not Applicable – none of the contracts tested were amended during the year.

- d) Select 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.

RESULTS: I selected the largest payment from each of the four contracts and vouched it to the supporting invoice. The pricing and terms agreed without exception.

- e) 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).

RESULTS: Not Applicable – all of the four contracts have been in place for years and did not require any board action during 2017.

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.

RESULTS: Not Applicable – GIVES has no employees. GIVES contracts with the Grand Isle Fire Department for administrative and personnel needs. These AUPs will be tested as part of the Grand Isle Fire Department's AUP testing. See that agency's report for results.

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.

RESULTS: Not Applicable – See explanation at Item 22 above.

- 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.

RESULTS: Not Applicable – See explanation at Item 22 above.

- 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.)

RESULTS: Not Applicable – See explanation at Item 22 above.

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

RESULTS: Not Applicable – See explanation at Item 22 above.

- c) 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.

RESULTS: Not Applicable – See explanation at Item 22 above.

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.

RESULTS: Not Applicable – See explanation at Item 22 above.

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.

RESULTS: Not Applicable – See explanation at Item 22 above.

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.

RESULTS: Not Applicable – See explanation at Item 22 above.

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.

RESULTS: Not applicable to non-profit entities.

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.

RESULTS: I inquired of management of any alleged ethics violations being reported to the entity during the fiscal period. Per management, there were none.

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.

RESULTS: Not Applicable – No new debt issued.

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.

RESULTS: Not Applicable – No bonded debt.

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 any millages that continue to be received for debt that has been paid off.

RESULTS: Not Applicable – No tax millages related to outstanding debt.

Other

31. Inquire of management whether the entity had any misappropriations of public funds or assets. If so, 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.

RESULTS: I inquired of management about whether any misappropriations of public funds or assets had occurred during the fiscal year. Per management, no misappropriations occurred or were known about.

32. Observe and report 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.lla.la.gov/hotline) concerns the reporting of misappropriation, fraud, waste, or abuse of public funds.

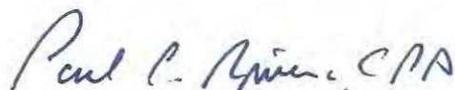
RESULTS: Exception Noted - GIVES has not posted the LLA Fraud Hotline Poster in its station. It does not have an official website; therefore, the requirement to post to the website is not applicable.

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

RESULTS: Not applicable – no other exceptions noted.

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

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



Paul C. Rivera, CPA
Marrero, Louisiana
June 10, 2018



GRAND ISLE VOLUNTEER EMERGENCY SERVICE

P.O. Box 1035, Grand Isle, LA 70358, Office: 985-787-2777 * Fax: 985-787-2000

June 10, 2018

Paul C. Rivera, CPA and the
Louisiana Legislative Auditor

We appreciate this opportunity to provide explanations for any exceptions noted during the application of the Louisiana Legislative Auditor's Agreed-Upon Procedures (AUPs) for the period January 1, 2017 to December 31, 2017. As a public entity, we do the best we can with the small staff that we have. We are committed to providing the best services to the citizens of our Ambulance District and spending the public money provided to us in the most efficient manner possible.

In regards to the exceptions noted during the AUPs, we offer the following:

AUP 1 - No written policies and procedures for various financial and business functions.

RESPONSE: Due to the small size of the financial staff of GIVES (basically 2 full-time administrative employees), we have never been able to achieve a proper segregation of duties in the various financial functions, such as purchasing, disbursements, receipts, contracting, etc. Typically, formal policies and procedures are set in writing to document the flow of transactions and the internal controls and segregation of duties that are established. Since we are unable to do so, we have never felt that the cost/benefit of incurring the time and cost in documenting all of our policies and procedures warranted such an endeavor. We have drafted some guidelines for the Grand Isle Fire Department which are piggybacked by GIVES; however, we have yet to draft formal procedures for several areas directly related to GIVES. Our administrative staff is well-established and has years of experience on the job. They are well versed in what needs to be done and what our policies and procedures are, even if they are not in writing. We will look to drafting these policies for next year.

AUP 6a – A review of GIVES’s insurance policies noted that the employee who makes deposits for the entity is not bonded. While GIVES does not handle “cash” per se, this employee is responsible for the financial activity of the entity and should be bonded.

RESPONSE: We will obtain the necessary fidelity bonds on the Fire Chief and the Assistant Fire Chief at a minimum. Also, due to our small size, there is nothing we can do at this time to address the lack of segregation of duties.

AUP 6c – Out of the 10 deposits selected for testing in August 2017, 1 cleared the bank days after receipt.

RESPONSE: This deposit was made of checks that were batched into a deposit on a Friday and the deposit cleared the bank on a Monday (the next banking day). We do not feel this is a true exception.

AUP 7 - The same two employees who are responsible for receiving collections are the same two who typically monitor revenues for completeness.

RESPONSE: Again, due to the small size of the financial staff of GIVES (2 full-time administrative employees); we have never been able to achieve a proper segregation of duties in the various financial functions, including revenue completeness. We have tried to put mitigating controls in place by having an outside Bookkeeper review transactions posted to the general ledger each quarter prior to review by the Board (as needed). We are cognizant of the lack of segregation of duties and monitor financial activity accordingly. Due to the fact that we only receive 12 payments from the Parish, we feel that if an ACH was to be missed, we would know about it immediately. We also monitor the billings from the third party vendor on emergency runs.

AUP 9a - Because there are no requisitions or purchase order or other like forms in use, there is typically no evidence, written or otherwise, of who initiated or approved a purchase. Of the 25 items tested, 17 did not have written evidence of who initiated the purchase and 25 did not have written evidence of approval or approval prior to payment.

RESPONSE: As a small entity, there are almost no transactions that take place that the Fire Chief or the Assistant Fire Chief are unaware of. That being said, we will review our procedures to determine if some form of a requisition or purchase order form should or could be used without creating extra paperwork for little or no burden.

AUP 10 – The Assistant Fire Chief and/or the Bookkeeper add vendors to the QuickBooks system and they are involved in the processing of payments.

RESPONSE: Again, as a small entity, there are almost no transactions that the Fire Chief or Board President is unaware of. Thus, even though these two individuals can add vendors to the system, the mitigating control is that checks/payments require two signatures (one from either the Board President or Fire Chief). This is the best we can do given our limited size.

AUP 11 – Of the four people who have signature authority on checks, three also initiate a purchase.

RESPONSE: Again, due to the small size of the administrative and financial staff of GIVES, we have never been able to achieve a proper segregation of duties in the various financial functions, including the purchasing and accounts payable process. We require dual signatures on every check. We do not believe that having three of these four people initiate a purchase causes a great concern since there are other reviews and approvals down the line by other people, plus the dual signatures on the check. We are cognizant of the lack of segregation of duties and monitor financial activity accordingly.

AUP 18 – GIVES has no written travel and reimbursement policy and GIVES paid for a hotel room stay at a rate higher than that allowed under GSA guidelines.

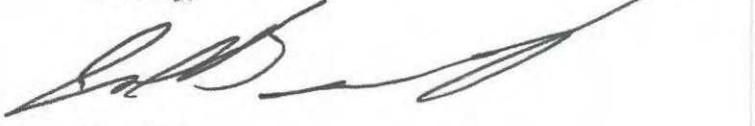
RESPONSE: While the Parish's contract severely limits our travel, we understand the need for a policy and look to draft one up for next year. The one exception on the travel was for an EMS conference in Houma, Louisiana. We had two employees stay at the conference hotel and were charged the conference rate. The average room rate was \$120/night while GSA only "allowed" \$91/night for this area. We don't believe that paying the rate charged by the conference hotel is an exception and the rate charged was not unacceptable or unreasonable by any means for that market.

AUP 32- The Legislative Auditor's Fraud Hotline poster was not posted on the fire station.

RESPONSE: We did not realize that we were required to post the LLA Fraud Hotline poster at our station. We will print it out and post it in 2018.

We hope that our answers address any concerns raised from the exceptions noted. We will work towards improving our processes and procedures to minimize or reduce any such exceptions in the future.

Sincerely,



Fire Chief
Grand Isle Emergency Services, Inc. (GIVES)