

CAMERON PARISH AMBULANCE  
DISTRICT NO. 2

Annual Financial Report

December 31, 2019

CAMERON PARISH AMBULANCE DISTRICT NO. 2  
Hackberry, Louisiana

TABLE OF CONTENTS

	<u>Page</u>
<b>Required Supplemental information</b>	2-4
<b>Management's Discussion and Analysis</b>	
<b>Independent Auditors' Report</b>	5-6
<b>Basic Financial Statements:</b>	
Statement of Net Position	7-8
Statement of Revenues, Expenses, and Changes in Net Position	9
Statement of Cash Flows	10-11
Notes to the Financial Statements	12-26
<b>Required Supplemental Information:</b>	
Schedule of Employer's Share of Net Pension Liability	28
Schedule of Employer Contributions	29
<b>Other Information:</b>	
Schedule of Compensation, Benefits, and Other Payments to Agency Head or Chief Executive Officer	30
<b>Independent Auditors' Report Required by <i>Government Auditing Standards</i>:</b>	
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	31-32
<b>Schedule of Findings</b>	33

**CAMERON PARISH AMBULANCE DISTRICT NO. 2  
MANAGEMENT'S DISCUSSION AND ANALYSIS AS  
OF DECEMBER 31, 2019**

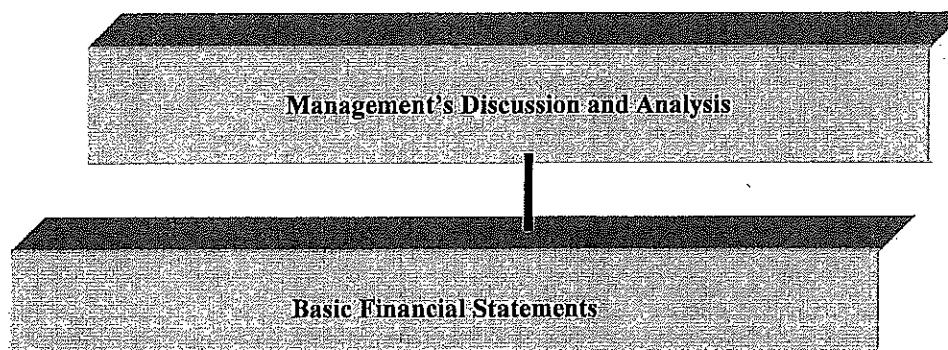
The Management's Discussion and Analysis of the Cameron Parish Ambulance District No. 2's financial performance presents a narrative overview and analysis of the Cameron Parish Ambulance District No. 2's financial activities for the year ended December 31, 2019. This document focuses on the current year's activities, resulting changes, and currently known facts in comparison with the prior year's information. Please read this document in conjunction with the additional information contained in the financial statements.

**FINANCIAL HIGHLIGHTS**

- The Cameron Parish Ambulance District No. 2's assets exceeded its liabilities at the close of the fiscal year 2019 by \$8,627,476. Of this amount, \$7,032,385 may be used to meet the Cameron Parish Ambulance District No. 2's ongoing obligations to its users.
- The Cameron Parish Ambulance District No. 2's operating revenue decreased \$14,184 and the net operating income decreased by \$134,121 from prior year. The revenue decrease was due to decreased patient service revenues. The net operating income decrease was due to this and increased operating expenses of insurance, payroll and benefits/taxes, maintenance repairs, utilities and depreciation. Non-operating Income decreased due to decreases in ad valorem taxes due to the recognition of the 10-year Sabine LNG deferred tax revenue of \$2,211,920 received from 2007 through 2017 per the Cooperative Endeavor Agreement in prior year 2018. The change in net position decreased by \$1,412,525 caused by the decrease in Non-operating Income.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

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



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

**CAMERON PARISH AMBULANCE DISTRICT NO. 2  
MANAGEMENT'S DISCUSSION AND ANALYSIS AS  
OF DECEMBER 31, 2019**

**Basic Financial Statements**

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

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

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

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

**FINANCIAL ANALYSIS OF THE ENTITY**

	<b>Summary of Net Position</b>	
	2019	2018
Assets:		
Current Assets	\$7,355,194	\$5,753,220
Capital Assets	1,595,091	1,820,450
Net Pension Assets	-	149,062
Total Assets	8,950,285	7,722,732
Deferred Outflows of Resources	842,330	341,300
Liabilities:		
Current Liabilities	170,786	283,723
Long-term Liabilities	920,072	-
Total Liabilities	1,090,858	283,723
Deferred Inflows of Resources	74,281	442,496
Net Position:		
Capital Net of Debt	1,595,091	1,820,450
Unrestricted	7,032,385	5,517,363
Total Net Position	\$8,627,476	\$7,337,813

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

	2019	2018
Operating Revenues	\$266,813	\$280,997
Operating Expenses	(3,027,330)	(2,907,393)
Net Operating Income (Loss)	(2,760,517)	(2,626,396)
Non-operating Revenues (Expenses)	4,050,180	5,328,384
Change in Net Position	1,289,663	\$2,702,188

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

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets**

As of December 31, 2019, the Cameron Parish Ambulance District No. 2 had \$1,595,091, net of accumulated depreciation, invested in a broad range of capital assets, including buildings, equipment, and ambulances. This amount represents a net decrease (including additions and deductions) of \$225,359 over last year.

	2019	2018
Ambulance	\$ 989,569	\$1,007,149
Buildings	1,423,785	1,423,785
Vehicles	37,513	25,453
Other property and equipment	745,959	779,080
Land	109,378	109,378
Less: Accumulated Depreciation	(1,711,113)	( 3,344,845)
	<u>\$1,595,091</u>	<u>\$1,820,450</u>

**CONTACTING THE DISTRICT'S MANAGEMENT**

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

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## INDEPENDENT AUDITORS' REPORT

Cameron Parish Ambulance District No. 2  
Hackberry, Louisiana

### **Report on the Financial Statements**

I have audited the accompanying financial statements of Cameron Parish Ambulance District No. 2, component unit of Cameron Parish Police Jury, as of December 31, 2019 and 2018, and the related notes to the financial statements, which collectively comprise the District's financial statements as listed in the table of contents.

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

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

### **Auditor's Responsibility**

My responsibility is to express opinions on these financial statements based on my audit. 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. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, 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 opinion.

## **Opinion**

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Cameron Parish Ambulance District No. 2 as of December 31, 2019, and the respective changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

## **Prior Period Financial Statements**

The financial statements of Cameron Parish Ambulance District No. 2 as of December 31, 2018, were audited by other auditors whose report dated June 28, 2019, expressed an unmodified opinion on those statements.

## **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 2 through 4, and the pension liability information on pages 28 and 29 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 Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, I have also issued a report dated March 18, 2020 on my consideration of Cameron Parish Ambulance District No. 2, Louisiana's internal control over financial reporting and 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Cameron Parish Ambulance District No. 2's internal control over financial reporting and compliance.

## **Other Information**

My audit was conducted for the purpose of forming an opinion on the financial statements of Cameron Parish Ambulance District No. 2. The Schedule of Compensation, Benefits and Other Payments is presented for purposes of additional analysis and is not a required part of the financial statements.

The Schedule of Compensation, Benefits and Other Payments is the responsibility of management and is derived from the underlying accounting and other records to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Steven M. DeRouen & Associates

Lake Charles, Louisiana

March 18, 2020

**Cameron Parish Ambulance District No. 2**  
**Statements of Net Position**  
**As of December 31, 2019**  
**with Comparative Totals for December 31, 2018**

<b>ASSETS</b>	<b>2019</b>	<b>2018</b>
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	170,271	459,367
Investments	3,354,825	2,464,771
Patient Accounts receivable, Net	39,618	23,844
Ad Valorem Tax Receivable	3,611,698	2,625,505
Grant Receivable	-	5,000
Prepaid expenses	123,690	125,463
Inventory	55,092	49,270
Total Current Assets	7,355,194	5,753,220
<b>PROPERTY, PLANT, AND EQUIPMENT</b>		
Buildings	1,423,785	1,423,785
Vehicles	1,133,707	1,176,741
Equipment	639,334	634,942
Less: accumulated depreciation and amortization	(1,711,113)	(1,524,396)
	1,485,713	1,711,072
Land	109,378	109,378
Net Property, Plant, and Equipment	1,595,091	1,820,450
<b>OTHER ASSETS</b>		
Net Pension Asset	-	149,062
Total Other Assets	-	149,062
<b>TOTAL ASSETS</b>	8,950,285	7,722,732
<b>Deferred Outflows of Resources</b>	842,330	341,300

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



**Cameron Parish Ambulance District No. 2**  
**Statements of Net Position (Continued)**  
**As of December 31, 2019**  
**with Comparative Totals for December 31, 2018**

	<b>2019</b>	<b>2018</b>
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 6,788	\$ 5,698
Accrued Liabilities	163,998	278,025
Total Current Liabilities	170,786	283,723
<b>LONG-TERM LIABILITIES</b>		
Net Pension liability	920,072	-
Total Long-Term Liabilities	920,072	-
<b>TOTAL LIABILITIES</b>	1,090,858	283,723
<b>Deferred Inflows of Resources</b>	74,281	442,496
<b>NET POSITION</b>		
Capital Assets, net of related debt	1,595,091	1,820,450
Unrestricted amounts	7,032,385	5,517,363
<b>TOTAL NET POSITION</b>	\$ 8,627,476	\$ 7,337,813

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

**Cameron Parish Ambulance District No. 2**  
**Statements of Revenues, Expenses, and Changes in Net Position**  
**For The Years Ended December 31, 2019**  
**with Comparative Totals for December 31, 2018**

	<u>2019</u>	<u>2018</u>
<b>OPERATING REVENUES</b>		
Patient Fees	\$ 266,813	\$ 280,997
Total Operating Revenues	<u>266,813</u>	<u>280,997</u>
<b>OPERATING EXPENSES</b>		
Advertising	534	546
Commissioners' Fees	739	1,652
Bad Debt Expense	32,727	3,567
Depreciation expense	321,119	323,380
Dispatch Services	20,004	20,004
Education Expense	7,641	1,914
Employee Retirement	360,399	280,867
Employee Drug Test	627	1,707
Fuel	16,048	17,791
Insurance	569,083	597,401
Licenses and Permits	2,838	2,425
Office expense	7,473	7,077
Payroll Taxes	22,038	22,730
Professional fees	59,424	72,182
Repairs and maintenance	57,605	86,400
Salaries	1,387,507	1,341,912
Supplies	89,206	64,227
Travel	4,020	2,830
Uniforms	8,877	3,093
Telephone and Utilities	59,421	55,688
Total Operating Expenses	<u>3,027,330</u>	<u>2,907,393</u>
<b>INCOME (LOSS) FROM OPERATIONS</b>	<u>(2,760,517)</u>	<u>(2,626,396)</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>		
Ad Valorem Taxes	3,710,683	5,227,678
Interest Income	90,055	60,867
FEMA Reimbursements	247,976	-
Miscellaneous Income	1,466	40,039
Total Non-Operating Revenues	<u>4,050,180</u>	<u>5,328,584</u>
<b>CHANGE IN NET POSITION</b>	1,289,663	2,702,188
<b>NET POSITION - BEGINNING OF YEAR</b>	<u>7,337,813</u>	<u>4,635,625</u>
<b>NET POSITION - END OF YEAR</b>	<u>\$ 8,627,476</u>	<u>\$ 7,337,813</u>

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

**Cameron Parish Ambulance District No. 2**  
**Statements of Cash Flows**  
**For The Years Ended December 31, 2019**  
**with Comparative Totals for December 31, 2018**

	<b>2019</b>	<b>2018</b>
<b>Cash Flows From Operating Activities:</b>		
Receipts from and on behalf of patients	\$ 251,039	\$ 294,035
Payments to suppliers and other operating expenses	(1,026,581)	(991,371)
Payments to employees and related expenses	(1,591,727)	(1,544,363)
Other receipts and payments, net	-	4,710
Net Cash Provided (Used) by Operating Activities	(2,367,269)	(2,236,989)
<b>Cash Flows From Investing Activities:</b>		
Interest income	90,055	60,867
Purchase of investments	(890,054)	(360,867)
Net Cash Provided (Used) by Investing Activities	(799,999)	(300,000)
<b>Cash Flows From Capital and Related Financing Activities:</b>		
Purchase of plant, property and equipment	(95,760)	(37,513)
Net Cash Provided (Used) by Capital and Related Financing Activities	(95,760)	(37,513)
<b>Cash Flows From Non-Capital and Related Financing Activities:</b>		
Ad valorem taxes	2,724,490	2,815,376
Other revenues	249,442	40,039
Net Cash Provided (Used) by Non-Capital Activities	2,973,932	2,855,415
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	(289,096)	280,913
<b>Cash and Cash Equivalents - Beginning of Year</b>	459,367	178,454
<b>Cash and Cash Equivalents - End of Year</b>	\$ 170,271	\$ 459,367

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

**Cameron Parish Ambulance District No. 2**  
**Statements of Cash Flows**  
**For The Years Ended December 31, 2019**  
**with Comparative Totals for December 31, 2018**

	<b>2019</b>	<b>2018</b>
<b>Reconciliation of Operating Income to Net Cash</b>		
<b>Provided (Used) by Operating Activities:</b>		
Operating income (loss)	\$ (2,760,517)	\$ (2,626,396)
Adjustments to reconcile net operating income to net cash provided by operating activities:		
Depreciation	321,119	323,380
(Increase) decrease in patient receivables	(15,774)	13,038
(Increase) decrease in grant receivables	5,000	-
(Increase) decrease in theft loss receivables	-	3,845
(Increase) decrease in tuition receivables	-	865
(Increase) decrease in prepaid expenses	1,773	(35,540)
(Increase) decrease in inventory	(5,822)	(2,414)
Increase (decrease) in accounts payable	1,090	(14,912)
Increase (decrease) in accrued liabilities	(114,027)	74,119
Increase (decrease) in net pension liability, inflows and outflows	199,889	27,026
 Total Adjustments	 393,248	 389,407
 <b>Net Cash Provided (Used) by Operating Activities</b>	 <b>\$ (2,367,269)</b>	 <b>\$ (2,236,989)</b>

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

## CAMERON PARISH AMBULANCE DISTRICT NO. 2

### Notes to Financial Statements

December 31, 2019

#### Note 1 - Organization and Summary of Significant Accounting Policies

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

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

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

#### A. Fund Accounting

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

#### B. Basis of Accounting

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

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

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

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

**CAMERON PARISH AMBULANCE DISTRICT NO. 2**

**Notes to Financial Statements**

December 31, 2019

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

**B. Basis of Accounting (continued)**

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

**C. Use of Estimates**

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

**D. Cash and Cash Equivalents**

For purpose of the statements of cash flows, the District considers all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents. Under state law, the District may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana Law or any other state of the United States, or under the laws of the United States.

**E. Investments**

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

**F. Inventories**

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

**G. Capital Assets**

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

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

**CAMERON PARISH AMBULANCE DISTRICT NO. 2**

**Notes to Financial Statements**

December 31, 2019

**Note 1-. Organization and Summary of Significant Accounting Policies (continued)**

**H. Net Patient Service Revenues**

Net patient service revenues are reported at estimated net realizable amounts from patients, third-party payors, and others for services rendered, including estimated retroactive adjustments under reimbursement agreement with third-party payers. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in the future periods as final settlements are determined.

**I. Operating Revenues and Expenses**

The District's statements of revenues, expenses and changes in net position distinguishes between operating and non-operating revenues and expenses. Operating revenues result from exchange transactions associated with providing health care service, the District's principal activity. Non-Exchange revenues, including taxes, grants and contributions received for purposes other than capital asset acquisition, are reported as non-operating revenues. Operating expenses are all expenses incurred to provide health care services, other than financial costs.

**J. Income Taxes**

*The District is a political subdivision and exempt from taxes.*

**K. Risk Management**

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

**L. Environmental Matters**

The District is subject to laws and regulations relating to the protection of the environment. The District's policy is to accrue environmental and clean up related costs of a non-capital nature when it is both probable that a liability has been incurred and when the amount can be reasonably estimated. Although it is not possible to quantify with any degree of certainty the potential financial impact of the District's continuing compliance efforts, management believes any future remediation or other compliance related costs will not have a material adverse effect on the financial condition or reported results of operations of the District. At December 31, 2019, management is not aware of any liability resulting from environmental matters.

**M. Net Position**

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

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

**CAMERON PARISH AMBULANCE DISTRICT NO. 2**

**Notes to Financial Statements**

December 31, 2019

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

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

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

**Note 2 - Cash and Cash Equivalents**

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

At December 31, 2019, the District has cash and cash equivalents (book balances) totaling \$170,271. These deposits are stated at cost, which approximates market. Under state law, these deposits, or the resulting bank balances, must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must equal the amount with the fiscal agent at all times.

These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. At December 31, 2019, the District had \$187,091 in deposits (collected bank balances). These deposits were secured by federal deposit insurance and pledged securities held by the custodial bank in the name of the fiscal agent bank. (GASB Category 3).

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the District that the fiscal agent bank has failed to pay deposited funds upon demand.

**Note 3 - Investments**

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

Investments held at December 31, 2019 consist of \$3,354,825 in the Louisiana Asset Management Pool (LAMP), a local government investment pool. In accordance with GASB Codification Section 150.126 the investment in LAMP at December 31, 2019 is not categorized in the three risk categories provided by GASB Codification Section 150.126 because the investment is in the pool of funds and therefore not evidenced by securities that exist in physical or book entry form.



**CAMERON PARISH AMBULANCE DISTRICT NO. 2**

**Notes to Financial Statements**

December 31, 2019

**Note 3 - Investments (continued)**

LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LSA-R.S. 33:2955.

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

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

- Credit risk: LAMP is rated AAAM by Standard & Poor's.
- Custodial credit risk: LAMP participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.
- Concentration of credit risk: Pooled investments are excluded from the 5 percent disclosure requirement.
- Interest rate risk: LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP prepares its own interest rate risk disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 90 days and consists of no securities with a maturity in excess of 397 days of 762 days for U.S. Government floating/variable rate investments.
- Foreign currency risk: Not applicable to 2a7-like pools.

The investments in LAMP are stated at fair value. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the net asset value of the pool shares.

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

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

**CAMERON PARISH AMBULANCE DISTRICT NO. 2**

Notes to Financial Statements  
December 31, 2019

**Note 3 - Investments (continued)**

LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company.

At December 31, 2019, the weighted-average yield of the deposits at LAMP was 1.69% and the weighted average maturity cannot exceed 90 days. The weighted-average maturity for LAMP's total investments was 46 days as of December 31, 2019. LAMP is rated AAAM by Standard & Poors. The District does not have credit or interest rate risk policies for investments.

**Note 4 - Patient Accounts Receivable**

Patient accounts receivable reported as current assets by the Ambulance District at December 31, 2019, are as follows:

<u>Patient Accounts Receivable</u>	2019
Receivables from patients, insurance carriers, Medicare and Medicaid	\$ 39,618
Less allowance for uncollectible amounts	-0-
Patient accounts receivable, net	\$ 39,618

No provision has been made for bad debt expense at December 31, 2019.

**Note 5 - Net Patient Services Revenue**

The Ambulance District has agreements with third-party payers that provide for payments to the Ambulance District at amounts different from its established rates. A summary of the payment arrangements with major third-party payers follows:

Medicare- Covered ambulance services are paid based on a fee schedule.

Medicaid- Covered ambulance services are paid based on a fee schedule.

During the year ended December 31, 2019, approximately 54% of the Ambulance District's gross patient services were furnished to Medicare and Medicaid beneficiaries.

The Ambulance District also has entered into payment arrangements with certain commercial insurance carriers, health maintenance organizations, and preferred provider organizations. The basis for payment to the Ambulance District under these agreements included prospectively determined rates per ambulance trip, discount on charges, and prospectively determined rates.

The Ambulance District also gives a parish resident discount to any resident of the parish who uses ambulance services. The Ambulance District bills private insurance companies, Medicare or Medicaid, or any other coverage of the patient and accepts this as payment in full from the resident.

**Note 6 - Concentrations of Credit Risk**

The Ambulance District grants credit without collateral to its patients, most of who are local residents and are insured under third-party payor agreements. The mix of receivables from patients and third-party payors at December 31, 2019 include amounts from Medicare, Medicaid, and other third-party payers.

**CAMERON PARISH AMBULANCE DISTRICT NO. 2**

Notes to Financial Statements  
December 31, 2019

**Note 7 - Ad Valorem Taxes**

The District utilizes the Cameron Parish Tax Collector/Sheriff to bill and collect its property taxes using the assessed values determined by the tax assessor of Cameron Parish. The District has an authorized tax millage of 13.87 mills for general maintenance and operation of the District. The total tax levied was \$3,719,847 on assessed property valued at \$268,193,661, net.

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

31. Property taxes not paid by the end of February are subject to lien.

Ad valorem tax receivable reported as current assets by the Ambulance District at December 31, 2019, are as follows: Ad Valorem Tax Receivable

	<u>2019</u>
· Ad valorem taxes	\$ 3,686,095
Less allowance for uncollectible amounts	<u>74,397</u>
Ad valorem tax receivable, net	\$ 3,611,698

Ad valorem taxes receivable are stated net of an allowance for uncollectible accounts. The district estimated the allowance based on its historical experience of the relationship between the total taxes levied and the actual amounts collected. The allowance for doubtful accounts was \$74,397 and \$54,926 at December 31, 2019 and 2018, respectively.

**CAMERON PARISH AMBULANCE DISTRICT NO. 2**

**Notes to Financial Statements**

December 31, 2019

**Note 8 - Capital Assets**

Additions and deletions to property, plant, and equipment for the year ended December 31, 2019 were as follows:

	Balance			Balance		
	<u>January 1,</u>	<u>Additions</u>	<u>Deletions</u>	<u>December 31,</u>		
Ambulance	\$ 1,007,149	\$ 91,370	\$ 108,950	\$ 989,569		
Buildings	1,423,785	-	-	1,423,785		
Vehicles	25,453	37,513	25,453	37,513		
Other property and equipment	779,080	4,392	37,513	745,959		
Land	<u>109,378</u>	<u>-</u>	<u>-</u>	<u>109,378</u>		
Total	3,344,845	133,275	171,916	3,306,204		
Less Accumulated Depreciation	<u>(1,524,395)</u>	<u>(321,119)</u>	<u>134,401</u>	<u>(1,711,113)</u>		
Capital Assets, net	<u>\$ 1,820,450</u>	<u>\$ (187,844)</u>	<u>\$ 306,317</u>	<u>\$ 1,595,091</u>		

Depreciation expense for the year ending December 31, 2019 totaled \$321,119.

**Note 9 - Compensated Absences**

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

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

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

At December 31, 2019, employees of the District have accumulated and vested \$71,117 of employee leave benefits, computed in accordance with GASB Codification Section C60.

## CAMERON PARISH AMBULANCE DISTRICT NO. 2

### Notes to Financial Statements

December 31, 2019

#### **Note 10-Retirement Commitments**

Parochial Employees' Retirement System of Louisiana (PERS) is the administrator of a cost sharing multiple employer defined benefit pension plan. PERS was established and provided for by RS 11:190I of the Louisiana Revised Statute (LRS). Act 765 of the year 1979, established by the Legislature of the State of Louisiana, revised PERS to create Plan A and Plan B to replace the "regular plan" and the "supplemental plan". Plan A was designated for employers out of Social Security. Plan B was designed for those employers that remained in Social Security on the revision date. PERS provides retirement benefits to *employees* of taxing districts of a parish or any branch or section of a parish *within* the State which does not have their own retirement system, and which elects to become members of PERS.

#### ***Retirement Benefits***

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

#### ***Disability Benefits***

For Plan A, a member shall be eligible to retire and receive a disability benefit if he/she was hired prior to January 1, 2007, and has at least five (5) years of creditable service or if hired after January 1, 2007, has seven (7) years of creditable service, and is not eligible for normal retirement, and has been officially certified as disabled by the State Medical Disability Board. Upon retirement caused by disability, a member of Plan A shall be paid a disability benefit equal to the lesser of an amount equal to three percent of the member's final average compensation multiplied by his years of service, not to be less than fifteen, or three percent multiplied by years of service assuming continued service to age 60.

#### ***Survivor Benefits***

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

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

#### ***Deferred Retirement Option Plan***

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

## CAMERON PARISH AMBULANCE DISTRICT NO. 2

### Notes to Financial Statements

December 31, 2019

#### **Note 10-Retirement Commitments (continued)**

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

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

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

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

#### ***Cost of Living Increases***

The Board is authorized to provide a cost of living allowance for those retirees who retired prior to July 1973. The adjustment cannot exceed 2% of the retiree's original benefit for each full calendar year since retirement and may only be granted if sufficient funds are available from investment income in excess of normal requirements. In addition, the Board may provide an additional cost of living increase to all retirees and beneficiaries who are over age sixty-five equal to 2% of the member's benefit paid on October 1, 1977, (or the member's retirement date, if later). Also, the Board may provide a cost of living increase up to 2.5% for retirees 62 and older. (RS 11:1937). Lastly, Act 270 of 2009 provided for further reduced actuarial payments to provide an annual 2.5% cost of living adjustment connecting at age 55.

#### ***Employer Contributions***

According to state statute, contributions for all employers are actuarially determined each year. For the year ended December 31, 2018, the actuarially determined contribution rate was 9.99% of member's compensation for Plan A. However, the actual rate for the fiscal year ending December 31, 2018 was 11.5% for Plan A.

**CAMERON PARISH AMBULANCE DISTRICT NO. 2**

**Notes to Financial Statements**

December 31, 2018

**Note 10-Retirement Commitments (continued)**

*Non-employer Contributions*

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

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

At December 31, 2019, the District reported liabilities in its financial statements of \$920,072 for its proportionate share of the net pension liabilities/(assets) of PERS. The net pension liabilities/(assets) were measured as of December 31, 2018 and the total pension liability used to calculate the net pension obligation was determined by separate actuarial valuations performed as of that date. The District's proportion of the net pension asset was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

For the year ended December 31, 2019, the District recognized a net pension expense of \$ 360,399 in its activities.

At December 31, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows	Deferred Inflows
Differences between expected and actual experience	\$ -	\$ 56,053
Net difference between projected and actual earnings on pension plan investments	440,441	-
Differences between District contributions and proportionate share of contributions	11,331	228
Changes in assumptions	230,048	-
District contributions made subsequent to the measurement date	160,510	-
<b>Total</b>	<b>\$ 842,330</b>	<b>\$ 56,281</b>

**CAMERON PARISH AMBULANCE DISTRICT NO. 2**

**Notes to Financial Statements**

December 31, 2018

**Note 10 - Retirement Commitments (continued)**

The \$160,510 reported as deferred outflows of resources related to pensions resulting from the District's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year	
2020	\$ 213,851
2021	117,497
2022	94,582
2023	<u>199,609</u>
	<u>\$ 625,539</u>

***Actuarial Assumptions***

A summary of the actuarial methods and assumptions used in determining the total pension liability as of December 31, 2019 are as follows:

Parochial Employees' Retirement System of Louisiana Plan A

Valuation Date	December 31, 2018
Actuarial Cost Method	<i>Entry Age Normal</i>
Actuarial Assumptions:	
Investment Rate of Return	6.50%, net of investment expense, including inflation
Projected Salary Increases	4.75% (2.35% Merit, 2.40% Inflation)
Expected Remaining Service	4 years
Cost of Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The present values do not include provisions for potential future increase not yet authorized by the Board of Trustees.



**CAMERON PARISH AMBULANCE DISTRICT NO. 2**

**Notes to Financial Statements**

December 31, 2018

**Note 10 - Retirement Commitments (continued)**

Mortality	Pub-2010 Public Retirement Plans Mortality Table for Health Retirees multiplied by 130% for males and 125% for females
Inflation Rate	2.40%

The discount rate used to measure the total pension liability was 6.50% for Plan A. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers and non-employer contributing entities will be made at the actuarially determined contribution rates, which are calculated in accordance with relevant statutes and approved by the Board of Trustees and the Public Retirement Systems' Actuarial Committee. Based on those assumptions, PERS's fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The long-term expected rate of return on pension plan investments was determined using a triangulation method which integrated the CAPM pricing model (top-down), a treasury yield curve approach (bottom-up) and an equity building- block model (bottom-up). Risk return and correlations are projected on a forward-looking basis in equilibrium, in which best-estimates of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These rates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.00% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return is 7.43% for the year ended December 31, 2018.

Best estimates of arithmetic real rates of return for each major asset class included in the System's target asset allocation as of December 31, 2018 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term expected Portfolio Real Rate of Return</u>
<b>Fixed income</b>	35%	1.22%
Equity	52%	3.45%
Alternatives	11%	0.65%
<b>Real assets</b>	2%	0.11%
Totals	100%	5.43%
Inflation		<u>2.00%</u>
Expected Arithmetic Nominal Return		<u>7.43%</u>

CAMERON PARISH AMBULANCE DISTRICT NO. 2

Notes to Financial Statements  
December 31, 2018

**Note 10 - Retirement Commitments (continued)**

The mortality rate assumptions used was set based upon an experience study performed on plan data for their period January 1, 2013 through December 31, 2017. The data was then assigned credibility weighting and combined with a standard table to produce current levels of mortality. This mortality was then projected forward to a period equivalent to the estimated duration of the PERS's liabilities. Annuity values calculated based on this mortality were compared to those produced by using a setback of standard tables. The result of the procedure indicated that the tables used would produce liability values approximating the appropriate generational mortality tables.

***Sensitivity to Changes in Discount Rate***

The following presents the net pension liability/asset of the participating employers as of December 31, 2018 calculated using the discount rate of 6.50%, as well as what the employers' net pension liability/(asset) would be if it were calculated using a discount rate that is one percentage point lower 5.50% or one percentage point higher 7.50% that the current rate.

	Changes in Discount Rate: 2018		
	1% Decrease	Current Discount Rate 6.50%	1% Increase
Net Pension Liability (Asset)	<u>\$ 1,953,986</u>	<u>\$920,072</u>	<u>\$ 55,809</u>

***Changes in Net Pension Liability***

The changes in the net pension liability for the year ended December 31, 2019 were recognized in the current reporting period as pension expense except as follows:

- A. Difference between the expected and actual experience - Differences between expected and actual experience with regard to economic or demographic factors in the measurement of the total pension liability were recognized in pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining services lives of all employees that are provided with pensions through the pension plan. The difference between expected and actual experience resulted in a deferred inflow of resources in the amount of \$56,053 for the year ended December 31, 2019.
- B. Difference between projected and actual investments earnings - Differences between projected and actual investment earnings on pension plan investments were recognized in pension expense using the straight - line amortization method over a closed five-year period. The difference between projected and actual investment earnings resulted in a deferred outflow of resources in the amount of \$440,441 for the year ended December 31, 2019.
- C. The changes of assumptions about future economic or demographic factors were recognized in pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan. The changes of assumptions or other inputs resulted in deferred outflows of resources of \$230,048 for the year ended December 31, 2019.

CAMERON PARISH AMBULANCE DISTRICT NO. 2

Notes to Financial Statements  
December 31, 2018

**Note 10 - Retirement Commitments (continued)**

D. Change in proportion-Changes in the employer's proportionate shares of the collective net pension liability and collective deferred outflows of resources and deferred inflows of resources since the prior measurement date were recognized in employer's pension expense (benefit) using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided pensions through the pension plan. The change in proportion resulted in a deferred outflow of 11,331 and deferred inflow of \$228 for the year ended December 31, 2019.

**Note 11-Post-Employment Benefits**

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

**Note 12 - Contingencies/Litigation**

Pending Litigation

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

**Note 13 - Compensation of Board Commissioners**

A detail of compensation paid to individual board commissioners for the year ended December 31, 2019:

<u>Board Member</u>	<u>Amount</u>
Glenn Trahan	\$ 108
Gwen Constance	13
Kattie Toups	58
Phyllis Doxey	170
Randall McFatter	277
Ronny Doucet	113
Total	\$ 739

Board commissioners receive 53 cents per mile mileage reimbursement for attendance of each board meeting.

**Note 14 - Subsequent Events**

Subsequent events were evaluated through the date of the audit report, which is the date the financial statements were available to be issued.

SUPPLEMENTAL INFORMATION

**Cameron Parish Ambulance District No. 2**

**Parochial Employees' Retirement System of Louisiana  
 Schedule of the District's Proportionate Share of the Net Pension Liability  
 For The Year Ended December 31, 2019**

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
District's proportion of the net pension liability (asset)	0.178%	0.002%	0.185%	-0.201%	0.207%
District's proportionate share of the net pension liability (asset)	\$ 48,604	\$ 457,344	\$ 381,160	\$ (149,061)	\$ 920,072
District's covered-employee payroll	\$ 996,178	\$ 1,097,582	\$ 1,236,107	\$ 1,274,399	\$ 1,395,743
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	4.9%	41.7%	30.8%	-11.7%	65.9%
Plan fiduciary net position as a percentage of the total pension liability	99.15%	92.23%	94.15%	101.98%	88.86%

The schedule is intended to report information for 10 years. Additional years will be displayed as they become available. The amounts presented have a measurement date of the previous fiscal year.

The notes to financial statements are an integral part of this statement.

**Cameron Parish Ambulance District No. 2**

**Parochial Employees' Retirement System of Louisiana  
Schedule of the District's Contributions  
For The Year Ended December 31, 2019**

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Contractually required contribution	\$ 142,686	\$ 154,513	\$ 146,556	\$ 160,510
Contributions in relation to the contractually required contribution	\$ 142,686	\$ 154,513	\$ 146,556	\$ 160,510
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 1,097,582	\$ 1,236,107	\$ 1,274,399	\$ 1,395,743
Contributions as a percentage of covered-employee payroll	13.0%	12.5%	11.5%	11.5%

The schedule is intended to report information for 10 years. Additional years will be displayed as they become available. The amounts presented have a measurement date of the previous fiscal year.

The notes to financial statements are an integral part of this statement.

CAMERON PARISH AMBULANCE DISTRICT NO. 2

Schedule of Compensation, Reimbursements, Benefits and Other Payments to Agency Head,  
Political Subdivision Head, or Chief Executive Officer- Louisiana Revised Statute 24:513 A. (1) (a)  
For the Year Ended December 31, 2019

**Agency Head Name:** Rhonda Coleman, Executive Director

<b>Purpose</b>	<b>Amount</b>
Salary	\$ 94,050
Benefits-insurance	21,319
Benefits-retirement	10,816
Benefits-other	-
Car allowance	-
Vehicle provided by government	-
Per diem	-
Reimbursements	-
Travel	-
Registration fees	-
Conference travel	-
Continuing professional education fees	-
Housing	-
Unvouchered expenses	-
Special meals	-

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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***

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

I have audited 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, the financial statements of Cameron Parish Ambulance District No. 2 as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise Cameron Parish Ambulance District No. 2 's basic financial statements, and have issued my report thereon dated March 18, 2020.

### ***Internal Control Over Financial Reporting***

In planning and performing my audit of the financial statements, I considered Cameron Parish Ambulance District No. 2 internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of West Calcasieu Airport Managing Board's internal control. Accordingly, I do not express an opinion on the effectiveness of Cameron Parish Ambulance District No. 2 internal control.

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

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. Given these limitations, during my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.



Board of Commissioners  
Cameron Parish Ambulance District No. 2

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Cameron Parish Ambulance District No. 2 Louisiana's 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 or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Steven M. DeRouen & Associates

Lake Charles, Louisiana  
March 18, 2020

**CAMERON PARISH AMBULANCE DISTRICT NO. 2**

**Schedule of Findings  
For the Year Ended December 31, 2019**

**A. Summary of Independent Auditor's Results:**

1. Unqualified opinion on financial statements.
2. No material weaknesses or significant deficiencies in internal control noted.
3. No instances of non-compliance noted.

**B. GAGAS Findings:**

**None.**

**C. Prior Year Findings:**

**None.**

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Member Louisiana Society of  
Certified Public Accountants

## **INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES**

To the Board of Directors of Cameron Parish Ambulance District No. 2, Louisiana and the Louisiana Legislative Auditor:

I have performed the procedures enumerated below, which were agreed to by the Board of Commissioners of Cameron Parish Ambulance District No. 2 and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the period January 1, 2019 through December 31, 2019. The Entity's management is responsible for those C/C areas identified in the SAUPs.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, 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.
  - k) **Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

**Findings: No exceptions.**

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.
  - 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.
  - 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.

*As the District did not have an exception in this AUP category in prior year, this procedure was not tested in year 3.*

Bank Reconciliations

3. Obtain a listing of client bank accounts from management and management's representation that the listing is complete.
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). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. *Note: School student activity fund accounts may be excluded from selection if they are otherwise addressed in a separate audit or AUP engagement.* 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.

*No findings.*

## Collections

5. Obtain a listing of cash/check/money order (cash) collection locations and management's representation that the listing is complete.
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). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. *Note: School student activity funds may be excluded from selection if they are otherwise addressed in a separate audit or AUP engagement.* 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.
  - 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.
  - 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.
    - 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.
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.

***As the District did not have an exception in this AUP category in prior year, this procedure was not tested in year 3.***

Non – Payroll Disbursements –(excluding credit card purchases/payments, and petty cash purchases)

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.
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.
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.
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.
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.
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.

*As the District did not have an exception in this AUP category in prior year, this procedure was not tested in year 3.*

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.
15. Using the listing prepared by management, randomly select 10 cards (or at least one-third of the cards if the entity has less than 10 cards) that were used during the fiscal period, rotating cards each year. If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner.

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

*As the District did not have an exception in this AUP category in prior year, this procedure was not tested in year 3.*



## 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.
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](http://www.gsa.gov)) and report any amounts that exceed GSA rates.
19. Using the listing or general ledger from #17 above, select the three persons who incurred the most travel costs during the fiscal period. Obtain the expense reimbursement reports or prepaid expense documentation of each selected person, including the supporting documentation, and choose the largest travel expense for each person to review in detail. For each of the three travel expenses selected:
  - 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.
  - 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)
  - 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.
  - d) Report whether each expense and related documentation was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

*No findings.*

## 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.
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.
  - 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.
  - 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.
  - 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.
  - 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).

*As the District did not have an exception in this AUP category in prior year, this procedure was not tested in year 3.*

## Payroll and Personnel

22. Obtain a listing of employees (and elected officials, if applicable) with their related salaries, and obtain management's representation that the listing is complete. Randomly select five employees/officials, obtain their personnel files, and:
  - a) Review compensation paid to each employee during the fiscal period and report whether payments were made in strict accordance with the terms and conditions of the employment contract or pay rate structure.
  - 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.

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

*As the District did not have an exception in this AUP category in prior year, this procedure was not tested in year 3.*

### Ethics

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.
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.

*As the District did not have an exception in this AUP category in prior year, this procedure was not tested in year 3.*

### Debt Service

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

***As the District did not have an exception in this AUP category in prior year, this procedure was not tested in year 3.***

### 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.
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](http://www.lla.la.gov/hotline)) concerns the reporting of misappropriation, fraud, waste, or abuse of public funds.
33. If the practitioner observes or otherwise identifies any exceptions regarding management's representations in the procedures above, report the nature of each exception.

***As the District did not have an exception in this AUP category in prior year, this procedure was not tested in year 3.***

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.

Steven M. DeRouen & Associates

March 18, 2020  
Lake Charles, Louisiana