

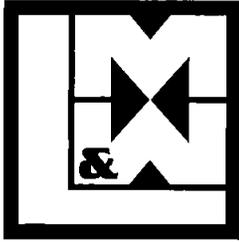
**ALLEN PARISH AMBULANCE  
SERVICE DISTRICT NO. 1**

**FINANCIAL STATEMENTS  
AND  
INDEPENDENT AUDITORS' REPORT**

**FOR THE YEARS ENDED  
DECEMBER 31, 2018 AND 2017**

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## **LESTER, MILLER & WELLS**

A CORPORATION OF CERTIFIED PUBLIC ACCOUNTANTS

3600 Bayou Rapides Road • Alexandria, LA 71303-3653  
Mailing Address: Post Office Box 8758 • Alexandria, LA 71306-1758  
Telephone: (318) 487-1450 • Facsimile: (318) 445-1184

3639 Ambassador Caffery Parkway, Suite 330 • Lafayette, LA 70503-5107  
Telephone: (337) 484-1020 • Facsimile: (337) 484-1029

**Members:** Association of International Certified Professional Accountants • Society of Louisiana Certified Public Accountants

John S. Wells, CPA  
Robert G. Miller, CPA  
Paul A. Delaney, CPA  
Mary L. Carroll, CPA  
Joey L. Breaux, CPA  
Jason P. LeBlanc, CPA

Brenda J. Lloyd, CPA  
Karlie P. Brister, CPA  
Joseph M. Chevalier, CPA

Retired 2015  
Bobby G. Lester, CPA

### INDEPENDENT AUDITORS' REPORT

To the Board of Commissioners  
Allen Parish Ambulance Service District No. 1  
Kinder, Louisiana

We have audited the accompanying statements of net position of Allen Parish Ambulance Service District No. 1, a component unit of the Allen Parish Police Jury, as of December 31, 2018 and 2017, and the related statements of revenues, expenses, and changes in net position and cash flows for the years then ended, and the related notes to the financial statements, which collectively comprise Allen Parish Ambulance Service District No. 1's basic financial statements as listed in the table of contents.

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

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

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the 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 auditors' judgment, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Allen Parish Ambulance Service District No. 1 as of December 31, 2018 and 2017, and the respective changes in financial position and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

## **Emphasis of Matter**

As discussed in Note 1, the financial statements present only the financial information of the Allen Parish Ambulance Service District No. 1 and do not purport to, and do not, present fairly the financial position of the Allen Parish Police Jury as of December 31, 2018 and 2017, the changes in its financial position, or its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

## **Other Matters**

### *Required Supplementary Information*

The Allen Parish Ambulance Service District No. 1 has not presented management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information.

Accounting principles generally accepted in the United States of America require that the required supplementary information on page 27, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Other Information*

Our audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Allen Parish Ambulance Service District No. 1's basic financial statements. The accompanying schedules of board fees and schedule of compensation, benefits, and other payments to agency head or chief executive officer are presented for the purposes of additional analysis and are not a required part of the basic financial statements.

The schedules of board fees and schedule of compensation, benefits, and other payments to agency head or chief executive officer are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedules of board fees and schedule of compensation, benefits, and other payments to agency head or chief executive officer are fairly stated in all material respects in relation to the financial statements as a whole.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 26, 2019, on our consideration of the Allen Parish Ambulance Service District No. 1's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Allen Parish Ambulance Service District No. 1's internal control over financial reporting and compliance.

*Loske, Miller & Wells*

Certified Public Accountants  
Lafayette, Louisiana

June 26, 2019

BASIC FINANCIAL STATEMENTS

ALLEN PARISH AMBULANCE SERVICE DISTRICT NO. 1  
STATEMENTS OF NET POSITION  
DECEMBER 31,

	<u>2018</u>	<u>2017</u>
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 409,215	\$ 724,657
Certificates of deposit	1,842,238	1,673,306
Patient accounts receivable, net of estimated uncollectibles of \$94,522 in 2018 and \$124,346 in 2017 (Note 5)	236,130	214,037
Ad valorem tax receivable, net of estimated uncollectibles of \$885 in 2018 and \$942 in 2017	98,494	101,599
Due from other governmental agencies	261,209	283,438
Inventory	38,240	35,458
Prepaid expenses	77,487	63,368
Other receivables	<u>273,508</u>	<u>273,414</u>
Total current assets	<u>3,236,521</u>	<u>3,369,277</u>
<b>CAPITAL ASSETS</b>		
Nondepreciable assets (Note 7)	24,500	138,260
Property, plant and equipment, at cost, less accumulated depreciation of \$858,499 in 2018 and \$1,024,776 in 2017 (Note 7)	<u>1,477,534</u>	<u>437,173</u>
Total capital assets	<u>1,502,034</u>	<u>575,433</u>
<b>OTHER ASSETS</b>		
Net pension asset (Note 10)	<u>113,735</u>	<u>-0-</u>
Total assets	4,852,290	3,944,710
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Defined benefit pension plan (Note 10)	<u>254,013</u>	<u>455,181</u>
Total assets and deferred outflows of resources	<u>\$ 5,106,303</u>	<u>\$ 4,399,891</u>

See accompanying notes to financial statements.

ALLEN PARISH AMBULANCE SERVICE DISTRICT NO. 1  
 STATEMENTS OF NET POSITION (CONTINUED)  
 DECEMBER 31,

	<u>2018</u>	<u>2017</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION		
CURRENT LIABILITIES		
Accounts payable	\$ 2,022	\$ 2,690
Accrued liabilities	<u>77,064</u>	<u>77,450</u>
Total current liabilities	79,086	80,140
LONG-TERM		
Net pension liability (Note 10)	<u>-0-</u>	<u>349,092</u>
Total liabilities	<u>79,086</u>	<u>429,232</u>
DEFERRED INFLOWS OF RESOURCES		
Defined benefit pension plan (Note 10)	<u>346,667</u>	<u>68,752</u>
NET POSITION		
Net investment in capital assets	1,502,034	575,433
Unrestricted	<u>3,178,516</u>	<u>3,326,474</u>
Total net position	<u>4,680,550</u>	<u>3,901,907</u>
Total liabilities, deferred inflows of resources and net position	\$ <u>5,106,303</u>	\$ <u>4,399,891</u>

See accompanying notes to financial statements.

ALLEN PARISH AMBULANCE SERVICE DISTRICT NO. 1  
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
YEARS ENDED DECEMBER 31,

	<u>2018</u>	<u>2017</u>
Operating revenues:		
Net patient service revenues, net of provision for bad debts of \$91,707 in 2018 and \$127,260 in 2017 (Note 3)	\$ 1,144,728	\$ 1,167,369
Other operating revenues	<u>1,595,814</u>	<u>1,606,921</u>
Total operating revenues	<u>2,740,542</u>	<u>2,774,290</u>
Operating expenses:		
Salaries	965,652	955,035
Advertising	3,831	5,854
Board members' per diems	2,200	2,650
Repairs and maintenance	64,662	39,095
Depreciation expense	153,213	123,628
Employee benefits	97,317	89,148
Fuel expense	27,784	22,113
Insurance expense	66,430	49,646
Intergovernmental transfer - supplemental payment program	751,870	787,836
Medical director	2,750	3,250
Other expenses	7,112	8,948
Payroll taxes	13,631	10,311
Postage and delivery	1,936	2,101
Professional expenses	35,793	35,110
Rent	4,800	3,300
Retirement expense	126,718	204,719
Supplies	87,947	65,314
Telephone expense	13,260	12,248
Utilities	<u>14,327</u>	<u>12,431</u>
Total operating expenses	<u>2,441,233</u>	<u>2,432,737</u>
Operating income	<u>299,309</u>	<u>341,553</u>
Non-operating revenues (expenses):		
Ad valorem taxes, net of pension deduction	478,489	501,108
Investment income	20,396	17,231
Loss on sale of capital asset	<u>(19,551)</u>	<u>(611)</u>
Total non-operating revenues (expenses)	<u>479,334</u>	<u>517,728</u>
Increase in net position	\$ <u>778,643</u>	\$ <u>859,281</u>

See accompanying notes to financial statements.

ALLEN PARISH AMBULANCE SERVICE DISTRICT NO. 1  
 STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
 (CONTINUED)  
 YEARS ENDED DECEMBER 31,

	<u>2018</u>	<u>2017</u>
Increase in net position (carried forward)	\$ 778,643	\$ 859,281
Net position, beginning of year	<u>3,901,907</u>	<u>3,042,626</u>
Net position, end of year	\$ <u>4,680,550</u>	\$ <u>3,901,907</u>

See accompanying notes to financial statements.

ALLEN PARISH AMBULANCE SERVICE DISTRICT NO. 1  
STATEMENTS OF CASH FLOWS  
YEARS ENDED DECEMBER 31,

	<u>2018</u>	<u>2017</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from and on behalf of patients	\$ 1,122,635	\$ 1,244,424
Payments to suppliers and contractors	(1,323,681)	(1,175,748)
Payments to employees	(966,038)	(1,069,708)
Other receipts and payments, net	<u>1,595,470</u>	<u>1,344,724</u>
Net cash provided by operating activities	<u>428,386</u>	<u>343,692</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>		
Ad valorem taxes	<u>503,823</u>	<u>597,800</u>
Net cash provided by non-capital financing activities	<u>503,823</u>	<u>597,800</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Payments for the purchase of property and equipment	(1,101,242)	(309,368)
Proceeds from the sale of capital assets	<u>1,877</u>	<u>-0-</u>
Net cash used in capital and related financing activities	<u>(1,099,365)</u>	<u>(309,368)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest income	20,646	16,900
Redemption of certificates of deposit	150,787	250,871
Purchase of certificates of deposit	<u>(319,719)</u>	<u>(663,736)</u>
Net cash used in investing activities	<u>(148,286)</u>	<u>(395,965)</u>
Net increase (decrease) in cash and cash equivalents	(315,442)	236,159
Cash and cash equivalents, beginning	<u>724,657</u>	<u>488,498</u>
Cash and cash equivalents, ending	<u>\$ 409,215</u>	<u>\$ 724,657</u>

(continued)

See accompanying notes to financial statements.

ALLEN PARISH AMBULANCE SERVICE DISTRICT NO. 1  
 STATEMENTS OF CASH FLOWS (CONTINUED)  
 YEARS ENDED DECEMBER 31,

	<u>2018</u>	<u>2017</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES		
Operating income	\$ 299,309	\$ 341,553
Adjustment to reconcile operating loss to net cash used in operating activities:		
Depreciation	153,213	123,628
Provision for bad debts	91,707	127,260
(Increase) decrease in assets -		
Patient accounts receivable	(113,800)	(50,205)
Prepaid expenses	(14,119)	(2,299)
Inventories	(2,782)	(3,893)
Other receivables	(344)	(262,197)
Net pension asset	(113,735)	-0-
Change in deferred outflows of resources	201,168	186,998
Increase (decrease) in liabilities -		
Accounts payable	(668)	2,328
Accrued liabilities	(386)	(114,673)
Net pension liability	(349,092)	-0-
Change in deferred inflows of resources	<u>277,915</u>	<u>(4,808)</u>
Net cash provided by operating activities	\$ <u>428,386</u>	\$ <u>343,692</u>

See accompanying notes to financial statements.

ALLEN PARISH AMBULANCE SERVICE DISTRICT NO. 1  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2018 AND 2017

Note 1. Description of Organization and Summary of Significant Accounting Policies

The following is a summary of the Allen Parish Ambulance Service District No. 1's (the "Ambulance District") significant accounting policies:

Organization

The Ambulance District was established by the Allen Parish Policy Jury, by virtue of the authority of R.S. 33:1261, et seq. The purpose of the Ambulance District is to own and operate ambulances for the transportation of persons suffering from illnesses or disabilities which necessitate ambulance care. The Ambulance District is governed by a Board of Commissioners composed of five qualified voters of the Ambulance District, which are appointed by the Allen Parish Police Jury. The Ambulance District is a component unit of the Allen Parish Police Jury. The accompanying financial statements present only the Ambulance District.

The financial statements of the Ambulance District have been prepared in accordance with generally accepted accounting principles in the United States of America ("GAAP") applicable to state and local governments. The Governmental Accounting Standards Board ("GASB") is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The significant accounting and reporting policies and practices used by the Ambulance District are described below.

Method of Accounting

The Ambulance District's financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the time of related cash flows. Property taxes are recognized as revenues in the year they are levied. Grants are recognized as revenue as soon as eligibility requirements imposed by the provider have been met. The Ambulance District's accounting and reporting procedures also conform to the requirements of Louisiana Revised Statute 24:514 and to the guide set forth in the *Louisiana Governmental Audit Guide*, and the *Audit and Accounting Guide – Health Care Organizations*, published by the American Institute of Certified Public Accountants, and standards established by the GASB.

Enterprise Fund

Enterprise funds are used to account for operations 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 or services to the general public on a continuing basis be financed or recovered primarily through user charges.

Use of Estimates

The preparation of the basic 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 basic financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

ALLEN PARISH AMBULANCE SERVICE DISTRICT NO. 1  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2018 AND 2017

Note 1. Description of Organization and Summary of Significant Accounting Policies (Continued)

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Ambulance 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 Ambulance 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.

Trade Receivables and Allowance for Uncollectible Accounts

Trade receivables are carried at the original billed amount less an estimate made for uncollectible accounts based on a review of all outstanding amounts on a monthly basis. Management determines the allowance for uncollectible accounts by identifying troubled accounts and by using historical experience applied to an aging of accounts. Trade receivables are written-off when deemed uncollectible. Recoveries of trade receivables previously written-off are recorded when received.

Inventories

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

Property, Plant, and Equipment

Property, plant, and equipment is stated at cost. Equipment under capital lease obligations is amortized on the straight-line method over the shorter period of the lease term or the estimated useful life of the equipment. Such amortization is included in depreciation expense in the basic financial statements. Donated property is recorded at its estimated fair value, at the date of receipt. Depreciation is computed using the straight-line method over the estimated useful lives of each class of depreciable assets.

Ambulances	5 years
Building improvements	10 years
Buildings	25 – 30 years
Equipment	5 – 10 years

Net Patient Revenue

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

Grants and Donations

Revenues from grants and donations (including capital contributions of assets) are recognized when all eligibility requirements, including time requirements, are met. Grants and donations may be restricted for either specific operating purposes or for capital purposes. Amounts that are unrestricted or that are restricted to a specific operating purpose are reported as non-operating revenues. Amounts restricted to capital acquisitions are reported after non-operating revenues and expenses.

ALLEN PARISH AMBULANCE SERVICE DISTRICT NO. 1  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2018 AND 2017

Note 1. Description of Organization and Summary of Significant Accounting Policies (Continued)

Operating Revenues and Expenses

The Ambulance District's statement 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 services, the Ambulance 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 financing costs.

Income Taxes

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

Risk Management

The Ambulance District is exposed to various risks of loss from tort; theft of, damage to, and destruction of assets; business interruption; errors and omissions; employee injuries and illnesses; natural disasters; and employee health. Commercial insurance coverage is purchased for claims arising from such matters.

Restricted Resources

When the Ambulance District has both restricted and unrestricted resources available to finance a particular program, it is the Ambulance District's policy to use restricted resources before unrestricted resources.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Parochial Employees' Retirement System of Louisiana (the "System") and additions to/deductions from the System's fiduciary net position have been determined on the same basis as they are reported by the System. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expenditure) until then. The District has one item that meets the criterion for this category, deferrals of pension expense.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has one item that meets the criterion for this category, deferrals of pension expense.

ALLEN PARISH AMBULANCE SERVICE DISTRICT NO. 1  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2018 AND 2017

Note 1. Description of Organization and Summary of Significant Accounting Policies (Continued)

Environmental Matters

The Ambulance District is subject to laws and regulations relating to the protection of the environment. The Ambulance District's policy is to accrue environmental and cleanup 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 Ambulance 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 Ambulance District. At December 31, 2018 and 2017, management is not aware of any liability resulting from environmental matters.

Pensions

The Ambulance District is a participating employer in a defined benefit pension plan as described in Note 10. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the plan, and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value within the plan.

Reclassifications

Certain reclassifications have been made in the financial statements at December 31, 2018 and 2017, in order to be consistent with reporting in the current year. These reclassifications had no effect on previous reported retained earnings or net income.

Note 2. Third-Party Payor Arrangements

The Ambulance District participates in the Medicare and Medicaid programs as a provider of ambulance services to program beneficiaries. During the years ended December 31, 2018 and 2017, approximately 67% and 63%, respectively, of the Ambulance District's gross patient services was furnished to Medicare and Medicaid beneficiaries. Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation. The Ambulance District believes that it is in compliance with all applicable laws and regulations and is not aware of any pending or threatened investigations involving allegations of potential wrongdoing. While no such regulatory inquiries have been made, compliance with such laws and regulations can be subject to future government review and interpretation as well as significant regulatory action including fines, penalties, and exclusion from the Medicare and Medicaid programs.

ALLEN PARISH AMBULANCE SERVICE DISTRICT NO. 1  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2018 AND 2017

Note 2. Third-Party Payor Arrangements (Continued)

The Ambulance District has agreements with third-party payors 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 payors follows:

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

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 is determined based on a prospectively determined rate per ambulance trip. The Ambulance District also discounts the base rate charge to parish residents excluding residents of Oakdale.

Note 3. Net Patient Service Revenues

Net patient service revenues for the years ended December 31, 2018 and 2017 were as follows:

	<u>2018</u>	<u>2017</u>
Gross patient service revenue	\$ 2,740,124	\$ 2,975,782
Coushatta tribe contract revenue	<u>168,000</u>	<u>168,000</u>
Total gross patient service revenues	2,908,124	3,143,782
Less:		
Medicare and Medicaid contractual adjustments	(1,439,147)	(1,514,773)
Provision for bad debts	(91,707)	(127,260)
Coushatta tribe contract discounts	(64,373)	(81,507)
Insurance and other discounts	<u>(168,169)</u>	<u>(252,873)</u>
Net patient service revenues	\$ <u>1,144,728</u>	\$ <u>1,167,369</u>

Note 4. Deposits and Investments

The Ambulance District's investing is performed in accordance with investment policies complying with state statutes. Funds may be invested in time deposits, money market investment accounts, or certificates of deposit with financial institutions insured by FDIC; direct obligations of the United States Government and its agencies; commercial paper issued by United States Corporations with a rating of A-1 (Moody's) and P-1 (Standard and Poor's) or higher; and government backed mutual trust funds. At December 31, 2018, the Ambulance District's funds consisted solely of demand deposits and certificates of deposits. These deposits are stated at cost, which approximates market.

ALLEN PARISH AMBULANCE SERVICE DISTRICT NO. 1  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2018 AND 2017

Note 4. Deposits and Investments (Continued)

*Custodial Credit Risk – Deposits.* Custodial credit risk is the risk that in the event of a bank failure, the Ambulance District's deposits may not be returned to it. State law requires collateralization of all deposits with federal depository insurance and other acceptable collateral in specific amounts. The Ambulance District's policy requires that all bank balances be insured or collateralized by the financial institution to pledge their own securities to cover any amount in excess of Federal Depository Insurance Coverage (FDIC). As of December 31, 2018, \$500,000 of the Ambulance District's deposits were secured from risk by FDIC coverage and \$1,830,488 were collateralized by securities pledged. As of December 31, 2017, these deposits were secured from risk by \$500,000 of FDIC coverage and \$1,967,834 by pledged securities. Accordingly, the Ambulance District had no custodial credit risk related to its deposits at December 31, 2018 and 2017.

Note 5. Accounts Receivable

Patient accounts receivable reported as current assets by the Ambulance District at December 31, 2018 and 2017 consisted of the following:

<u>Patient Accounts Receivable</u>	<u>2018</u>	<u>2017</u>
Receivable from patients and their insurance carriers	\$ 274,128	\$ 271,229
Receivable from Medicare	43,833	58,724
Receivable from Medicaid	12,691	8,430
Total patient accounts receivable	330,652	338,383
Less allowance for uncollectible amounts	(94,522)	(124,346)
Patient accounts receivable, net	\$ <u>236,130</u>	\$ <u>214,037</u>

Note 6. Concentrations of Credit Risk

The Ambulance District grants credit without collateral to its patients, most of whom are local residents and are insured under third-party payor agreements. The mix of receivables from patients and third-party payors at December 31, 2018 and 2017 was as follows:

	<u>2018</u>	<u>2017</u>
Medicare	13 %	17 %
Medicaid	4 %	2 %
Other third-party payors/patients	83 %	81 %
	<u>100 %</u>	<u>100 %</u>

ALLEN PARISH AMBULANCE SERVICE DISTRICT NO. 1  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2018 AND 2017

Note 7. Capital Assets

Capital assets additions, retirements, and balances for the years ended December 31, 2018 and 2017 were as follows:

	December 31, <u>2017</u>	<u>Additions</u>	<u>Retirements</u>	December 31, <u>2018</u>
Nondepreciable capital assets				
Land	\$ 24,500	\$ -0-	\$ -0-	\$ 24,500
Construction in progress	<u>113,760</u>	<u>-0-</u>	<u>(113,760)</u>	<u>-0-</u>
Total nondepreciable capital assets	\$ <u>138,260</u>	\$ <u>-0-</u>	\$ <u>(113,760)</u>	\$ <u>24,500</u>
Depreciable capital assets				
Equipment	\$ 486,741	\$ 46,382	\$ (74,288)	\$ 458,835
Office equipment	47,456	4,905	(20,412)	31,949
Buildings improvements	71,885	-0-	(42,485)	29,400
Ambulances	682,649	129,297	(176,371)	635,575
Vehicles	25,292	-0-	-0-	25,292
Building	<u>147,926</u>	<u>1,034,418</u>	<u>(27,362)</u>	<u>1,154,982</u>
Total historical cost	<u>1,461,949</u>	<u>1,215,002</u>	<u>(340,918)</u>	<u>2,336,033</u>
Less accumulated depreciation for:				
Equipment	(384,085)	(55,280)	72,117	(367,248)
Office equipment	(45,910)	(968)	19,928	(26,950)
Buildings improvements	(35,824)	(4,255)	36,846	(3,233)
Ambulances	(480,074)	(77,825)	176,371	(381,528)
Vehicles	(9,485)	(6,323)	-0-	(15,808)
Building	<u>(69,398)</u>	<u>(8,562)</u>	<u>14,228</u>	<u>(63,732)</u>
Total accumulated depreciation	<u>(1,024,776)</u>	<u>(153,213)</u>	<u>319,490</u>	<u>(858,499)</u>
Total depreciable Capital assets, net	\$ <u>437,173</u>	\$ <u>1,061,789</u>	\$ <u>(21,428)</u>	\$ <u>1,477,534</u>

ALLEN PARISH AMBULANCE SERVICE DISTRICT NO. 1  
 NOTES TO FINANCIAL STATEMENTS  
 YEARS ENDED DECEMBER 31, 2018 AND 2017

Note 7. Capital Assets (Continued)

	December 31, <u>2016</u>	<u>Additions</u>	<u>Retirements</u>	December 31, <u>2017</u>
<b>Nondepreciable capital assets</b>				
Land	\$ 5,000	\$ 19,500	\$ -0-	\$ 24,500
Construction in progress	<u>-0-</u>	<u>113,760</u>	<u>-0-</u>	<u>113,760</u>
Total nondepreciable capital assets	\$ <u>5,000</u>	\$ <u>133,260</u>	\$ <u>-0-</u>	\$ <u>138,260</u>
<b>Depreciable capital assets</b>				
Equipment	\$ 467,553	\$ 27,281	\$ (8,093)	\$ 486,741
Office equipment	47,456	-0-	-0-	47,456
Buildings improvements	43,197	29,400	(712)	71,885
Ambulances	563,222	119,427	-0-	682,649
Vehicles	25,292	-0-	-0-	25,292
Building	<u>149,091</u>	<u>-0-</u>	<u>(1,165)</u>	<u>147,926</u>
Total historical cost	<u>1,295,811</u>	<u>176,108</u>	<u>(9,970)</u>	<u>1,461,949</u>
<b>Less accumulated depreciation for:</b>				
Equipment	(338,942)	(53,236)	8,093	(384,085)
Office equipment	(43,596)	(2,314)	-0-	(45,910)
Buildings improvements	(32,478)	(3,446)	100	(35,824)
Ambulances	(426,956)	(53,118)	-0-	(480,074)
Vehicles	(3,162)	(6,323)	-0-	(9,485)
Building	<u>(65,373)</u>	<u>(5,191)</u>	<u>1,166</u>	<u>(69,398)</u>
Total accumulated depreciation	<u>(910,507)</u>	<u>(123,628)</u>	<u>9,359</u>	<u>(1,024,776)</u>
Total depreciable Capital assets, net	\$ <u>385,304</u>	\$ <u>52,480</u>	\$ <u>(611)</u>	\$ <u>437,173</u>

Depreciation expense for the years ended December 31, 2018 and 2017 amounted to \$153,213 and \$123,628, respectively.

Note 8. Ad Valorem Taxes

The Ambulance District levied 9.76 mills on properties with assessed values of \$50,900,699 and \$51,661,039, net of homestead values, for the years ended December 31, 2018 and 2017, respectively.

The Ambulance District received approximately 15% in 2018 and 2017, of its financial support from ad valorem taxes. These funds were used to support operations.

The Ambulance District's property tax is levied by the parish on the taxable real property in the Ambulance District in late October of each year. Bills are sent out in November of each year at which time the Ambulance District records the tax revenue, taxes become delinquent on December 31<sup>st</sup>, and become a lien in the following March.

ALLEN PARISH AMBULANCE SERVICE DISTRICT NO. 1  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2018 AND 2017

Note 9. Compensated Absences and Sick Time

Ambulance employees earn 168 to 240 hours of vacation (depending on years of service) and office employees earn 120 vacation hours per year. Only employees with at least one year of service are eligible for vacation days. These vacation days can accrue to a maximum of 336 to 480 hours for Ambulance employees and a maximum of 240 hours for office employees. The Ambulance District had accrued compensated absences at December 31, 2018 and 2017 of \$42,785 and \$50,222, respectively.

In December of 2009, the Ambulance District started a policy that allows field personnel to be paid for sick time on a yearly basis. The determination of the payment amount is limited to a threshold based on years of service. This threshold is defined in the Ambulance District's employee manual. Employees must be employed by the Ambulance District for at least one year and the sick days will not be paid upon retirement or separation of employment from the Ambulance District.

Note 10. Retirement

*Plan Description.* Substantially, all employees of the Allen Parish Ambulance Service District No. 1 are members of the Parochial Employees' Retirement System of Louisiana (the "System"), a cost-sharing, multiple-employer defined benefit pension plan established by Act 205 of the 1952 regular session of the Legislature of the State of Louisiana. The System is administered by a separate board of trustees. The System is to provide retirement benefits to all employees of any parish in the state of Louisiana or any governing body which employs and pays persons serving the parish. It is composed of two plans, Plan A and Plan B, with separate assets and benefit provisions. The System is governed by Louisiana Revised Statutes, Title 11, Sections 1901 – 2025 and other general laws of the State of Louisiana. Benefits are established or amended by State Statute. The System issues a publicly available financial report that can be obtained at [persla.org](http://persla.org). Employees of the Ambulance District are members of Plan A.

Benefits provided:

Retirement - All permanent employees working at least 28 hours per week are eligible to participate in the System. Under Plan A, employees (who were hired prior to January 1, 2007) and who retire at or after age 65 with at least 7 years of creditable service, who retire at or after age 60 with at least 10 years of creditable service, at or after age 55 with at least 25 years of creditable service, or at any age with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3% of their final average salary for each year of creditable service. For employees hired after January 1, 2007 and who retire at age 55 with at least 30 years of creditable service, at age 62 with 10 years of creditable service or at age 67 with 7 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3% of their final average salary for each year of creditable service. Final average salary is the employee's average salary over the 35, consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above and do not withdraw their employee contributions may retire at the ages specified above and receive the benefit accrued to their date of termination.

ALLEN PARISH AMBULANCE SERVICE DISTRICT NO. 1  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2018 AND 2017

Note 10. Retirement (Continued)

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. A surviving spouse who is not eligible for Social Security survivorship or retirement benefits, and married not less than twelve (12) months immediately preceding death of the member, shall be paid an Option 2 benefit beginning at age 50.

Cost-of-living adjustments - 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, 1997, (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. (LA R.S. 11:1937). Lastly, Act 270 of 2009 provided for further reduced actuarial payments to provide an annual 2.5% cost of living adjustment commencing at age 55.

Deferred retirement option plan - Act 338 of 1990 established the deferred retirement option plan (DROP) for the Retirement System. DROP is an option for that member who is eligible for normal retirement. In lieu of terminating employment and accepting a service retirement, any member of Plan A who is eligible to retire may elect to participate in the DROP in which they are enrolled for three years and defer the receipt 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 DROP on or after January 1, 2004, all amounts which remain credited to the individual's subaccount 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 the System, the funds may be credited to self-directed subaccounts. The participant in the self-directed portion of this System must agree that the benefits payable to the participant are not the obligations of the state or the System, and that any returns and other rights of the System are the sole liability and responsibility of the participant and the designated provider to which contributions have been made.

ALLEN PARISH AMBULANCE SERVICE DISTRICT NO. 1  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2018 AND 2017

Note 10. Retirement (Continued)

Disability benefits - For Plan A, a member shall be eligible to retire and receive a disability benefit if they were hired prior to January 1, 2007, and has at least five years of creditable service or if hired after January 1, 2007, has seven 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 sixty.

Contributions - Under Plan A, members are required by state statute to contribute 9.50% of their annual covered salary and the Ambulance District is required to contribute at an actuarially determined rate. For the plan year ended December 31, 2017 and December 31, 2016, the actuarially determined contribution rate was 9.35% and 10.52%, respectively, of the member's compensation for Plan A. However, the actual rate was 12.50% and 13.00%, respectively, of annual covered payroll for Plan A.

Contributions to the System also include one-fourth of one percent (except Orleans and East Baton Rouge Parishes) of the taxes shown to be collectible by the tax rolls of each parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. These additional sources of income are used as additional employer contributions and are considered support from non-contributing entities. The contribution requirements of plan members and the Ambulance District are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year.

The Ambulance District's contributions to the System under Plan A, exclusive of employee portion, for the year ending December 31, 2018 and 2017 were \$110,462 and \$117,895, equal to the required contributions for the year.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions:

At December 31, 2018 and 2017, the Ambulance District reported an asset of \$113,735 and a liability of \$349,092, respectively, for its proportionate share of the net pension liability. The net pension liability (asset) was measured as of December 31, 2017 and 2016, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. The Agency's proportion of the net pension liability (asset) was based on a projection of the Ambulance District's required projected share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At December 31, 2017 and 2016, the Ambulance District's proportion was .153231% and .169502%, respectively.

ALLEN PARISH AMBULANCE SERVICE DISTRICT NO. 1  
 NOTES TO FINANCIAL STATEMENTS  
 YEARS ENDED DECEMBER 31, 2018 AND 2017

Note 10. Retirement (Continued)

For the years ended December 31, 2018 and 2017, the District recognized pension expense of \$138,111 and \$204,719, respectively. At December 31, 2018 and 2017, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

December 31, 2018:

	<u>Outflows</u>	<u>Inflows</u>
Deferred resources		
Differences between expected and actual experience	\$ -0-	\$ 73,623
Changes in assumptions	143,551	-0-
Net difference between projected and actual earnings on pension plan investments	-0-	262,761
Changes in proportion and differences between employer contributions and proportionate share of contributions	-0-	10,283
Contributions subsequent to measurement date	<u>110,462</u>	<u>-0-</u>
Ending balance	\$ <u>254,013</u>	\$ <u>346,667</u>

December 31, 2017:

	<u>Outflows</u>	<u>Inflows</u>
Deferred resources		
Differences between expected and actual experience	\$ -0-	\$ 61,088
Changes in assumptions	66,277	-0-
Net difference between projected and actual earnings on pension plan investments	270,908	-0-
Changes in proportion and differences between employer contributions and proportionate share of contributions	101	7,664
Contributions subsequent to measurement date	<u>117,895</u>	<u>-0-</u>
Ending balance	\$ <u>455,181</u>	\$ <u>68,752</u>

The Ambulance District reported \$110,462 as deferred outflows of resources related to pensions resulting from the Ambulance District's contributions subsequent to the measurement date. This amount will be recognized as a reduction of the net pension liability (asset) in the year ended December 31, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended  
December 31

2019	\$ 12,597
2020	\$ (21,327)
2021	\$ (90,243)
2022	\$(104,318)
2023	\$ -0-
Thereafter	\$ -0-

ALLEN PARISH AMBULANCE SERVICE DISTRICT NO. 1  
 NOTES TO FINANCIAL STATEMENTS  
 YEARS ENDED DECEMBER 31, 2018 AND 2017

Note 10. Retirement (Continued)

Actuarial assumptions - The total pension liability in the December 31, 2017 and 2016 actuarial valuation was determined using the following actuarial assumptions applied to all periods included in the measurement:

December 31, 2017:

Inflation	2.50%
Salary increases	5.25% (including inflation)
Investment rate of return	6.75% (net of investment expense)
Actuarial cost method	Entry Age Normal
Expected remaining service lives	4 years

December 31, 2016:

Inflation	2.50%
Salary increases	5.25% (including inflation)
Investment rate of return	7.00% (net of investment expense)
Actuarial cost method	Entry Age Normal
Expected remaining service lives	4 years

At December 31, 2017 and 2016, the mortality rate assumption used was based upon an experience study performed on plan data for the period January 1, 2010 through December 31, 2014. The data was then assigned a 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 System's liabilities. The RP-2000 Healthy Mortality Sex Distinct Tables (set forward two years for males and one year for females) projected to 2031 using Scale AA were selected for annuitants and beneficiaries. For disabled annuitants, the RP-2000 Disabled Lives Mortality Table (set back five years for males and three years for females) was selected. For active employees, the RP-2000 Employee Sex Distinct Tables (set back four years for males and three years for females) were used.

At December 31, 2017 and 2016, the discount rate used to measure the total pension liability was 6.75% and 7.00%, respectively. 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, the System's fiduciary net position was projected to be available to make all projected future benefit 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 total pension liability.

ALLEN PARISH AMBULANCE SERVICE DISTRICT NO. 1  
 NOTES TO FINANCIAL STATEMENTS  
 YEARS ENDED DECEMBER 31, 2018 AND 2017

Note 10. Retirement (Continued)

The long-term 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 approach (bottom-up). Risk and return 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% at December 31, 2017 and 2016 and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return was 7.62% and 7.66% for the year ended December 31, 2017 and 2016.

Best estimates of arithmetic real rates of return for each major asset class included in the System's target asset allocation as of December 31, 2017 and 2016 are summarized in the following table:

<u>December 31, 2017:</u>	<u>Target Asset Allocation</u>	<u>Long-Term Expected Portfolio Real Rate of Return</u>
Asset class:		
Fixed income	35%	1.24%
Equity	52%	3.57%
Alternatives	11%	0.69%
Real assets	<u>2%</u>	<u>0.12%</u>
	<u>100%</u>	<u>5.62%</u>
Inflation		<u>2.00%</u>
Expected arithmetic nominal return		<u>7.62%</u>
<u>December 31, 2016:</u>	<u>Target Asset Allocation</u>	<u>Long-Term Expected Portfolio Real Rate of Return</u>
Asset class:		
Fixed income	35%	1.24%
Equity	52%	3.63%
Alternatives	11%	0.67%
Real assets	<u>2%</u>	<u>0.12%</u>
	<u>100%</u>	<u>5.66%</u>
Inflation		<u>2.00%</u>
Expected arithmetic nominal return		<u>7.66%</u>

ALLEN PARISH AMBULANCE SERVICE DISTRICT NO. 1  
 NOTES TO FINANCIAL STATEMENTS  
 YEARS ENDED DECEMBER 31, 2018 AND 2017

Note 10. Retirement (Continued)

The following presents the net pension liability (asset) of the Ambulance District, calculated using the discount as well as what the Ambulance District's net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate.

<u>December 31, 2017:</u>	1% Decrease	Current Discount Rate	1% Increase
	<u>5.75%</u>	<u>6.75%</u>	<u>7.75%</u>
Employers proportionate share of the net pension liability (asset)	<u>\$ 560,756</u>	<u>\$(113,735)</u>	<u>\$(714,325)</u>
<u>December 31, 2016:</u>	1% Decrease	Current Discount Rate	1% Increase
	<u>6.00%</u>	<u>7.00%</u>	<u>8.00%</u>
Employers proportionate share of the net pension liability (asset)	<u>\$1,044,273</u>	<u>\$ 349,092</u>	<u>\$(238,706)</u>

Non-Employer Contributing Entities - Contributions received by a pension plan from non-employer contributing entities that are not in a special funding situation are recorded as revenue by the respective pension plan. The Ambulance District recognizes revenue in an amount equal to their proportionate share of total contributions to the pension plan from these non-employer contributing entities. The Ambulance District recognized revenue as a result of support received from non-employer contributing entities of \$11,391 and \$12,521 for the years ended December 31, 2018 and 2017, respectively.

Detailed information about the pension plan's fiduciary net position is available in audited stand-alone issued financial statements for the years ended December 31, 2017 and 2016. Access to the audit report and financials can be found on the System's website: [www.persla.org](http://www.persla.org) or on the Office of Louisiana Legislative Auditor's official website: [www.lla.state.la.us](http://www.lla.state.la.us).

Note 11. Supplemental Payments (UPL) for Emergency Ambulance Services

Effective 2012, the Ambulance District entered into a Cooperative Endeavor Agreement in order to receive quarterly supplemental payments for qualifying land ambulance and air ambulance providers for emergency transportation rendered. The Louisiana Department of Health and Hospitals (DHH) submitted the Supplemental Payment Program as Medicaid State Plan Amendment TN 11-23 which was approved by the Centers for Medicare and Medicaid Services (CMS) in June of 2012. The purpose of the program was to ensure that adequate and essential medically necessary healthcare services are accessible and available to low-income and/or indigent citizens and medically underserved populations in Louisiana. The Ambulance District agreed to transfer funds to DHH to be used as Medicaid matching funds for the purpose of making supplemental payments for emergency ambulance services and providing the State additional resources to assist in the medical cost to the State. Accordingly, these matching funds are comprised of (1) an amount to be utilized as the "non-federal share" of the supplemental payment for services provided by participating Medicaid Ambulance Providers and (2) the "State Retention Amount" which is fifteen percent (15%) of the "non-federal share" for the State to utilize in delivering healthcare services.

ALLEN PARISH AMBULANCE SERVICE DISTRICT NO. 1  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2018 AND 2017

Note 11. Supplemental Payments (UPL) for Emergency Ambulance Services (Continued)

As permitted by State and Federal laws and regulations, DHH agrees to make supplemental Medicaid payments to ambulance providers. The total supplemental payment will include the total amount of the "non-federal share" and the "federal funds" generated by the "non-federal share" payments. The total amount of the supplemental payment is intended to reimburse all or part of the difference between the Medicaid payments otherwise made to these qualifying providers and the Average Commercial Rate for those services.

The Ambulance District made payments to DHH in conjunction with this agreement totaling \$751,870 in 2018 and \$787,836 in 2017. These payments are recognized as an operating expense in the statement of revenues, expenses and changes in net position. DHH made supplemental payments to the Ambulance District totaling \$1,590,880 in 2018 and \$1,603,210 in 2017. These payments are recognized as other operating revenue in the statement of revenues, expenses and changes in net position.

Note 12. Subsequent Events

The Ambulance District has evaluated events through June 26, 2019, the date which the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

ALLEN PARISH AMBULANCE SERVICE DISTRICT NO. 1  
SCHEDULES OF THE AMBULANCE DISTRICT'S PROPORTIONATE SHARE  
OF THE NET PENSION LIABILITY (ASSET)  
YEARS ENDED DECEMBER 31,

	<u>2018</u>	<u>2017</u>
Ambulance District's proportion of the net pension liability (asset)	0.15323100%	0.1695020%
Ambulance District's proportionate share of the net pension liability (asset)	\$ <u>(113,735)</u>	\$ <u>349,092</u>
Ambulance District's covered employee payroll	\$ <u>943,157</u>	\$ <u>920,926</u>
Ambulance District's proportionate share of the net pension liability (asset) as a percentage of its covered employee payroll	(12.06)%	37.91%
Plan fiduciary net position as a percentage of the total pension liability (asset)	101.98%	94.15%

ALLEN PARISH AMBULANCE SERVICE DISTRICT NO. 1  
SCHEDULES OF THE AMBULANCE DISTRICT'S CONTRIBUTIONS  
YEARS ENDED DECEMBER 31,

	<u>2018</u>	<u>2017</u>
Contractually required contributions	\$ 110,462	\$ 117,895
Contributions in relation to the contractually required contribution	<u>110,462</u>	<u>117,895</u>
Contribution deficiency (excess)	\$ <u>- 0 -</u>	\$ <u>- 0 -</u>
Ambulance District's covered employee payroll	\$ <u>943,157</u>	\$ <u>920,926</u>
Contributions as a percentage of covered employee payroll	<u>11.71%</u>	<u>12.80%</u>

OTHER SUPPLEMENTARY INFORMATION

ALLEN PARISH AMBULANCE SERVICE DISTRICT NO. 1  
 SCHEDULES OF BOARD FEES  
 FOR THE YEARS ENDED DECEMBER 31,

Board Members:

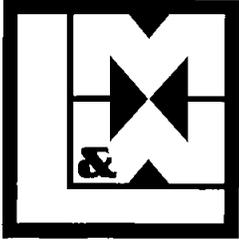
	<u>2018</u>	<u>2017</u>
Elsie Frank	\$ 250	\$ 450
Lowell Keys	550	550
Jackie Holland	500	550
Fred Ritter	550	600
Yvonne Hyatt	350	500
	\$ 2,200	\$ 2,650

The schedule of compensation paid to the Board of Commissioners is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Legislature. The Ambulance District's Board Members receive \$50 for each day of attendance at meetings of the commission.

ALLEN PARISH AMBULANCE SERVICE DISTRICT NO. 1  
 SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS TO  
 AGENCY HEAD OR CHIEF EXECUTIVE OFFICER  
 YEAR ENDED DECEMBER 31, 2018

Agency Head Name: Lennie Boulet  
 Position: Executive Director  
 Time Period: January 1, 2018 to December 31, 2018

Purpose	Amount
Salary	\$ 99,308
Benefits - insurance	6,247
Benefits - retirement	11,420
Benefits - other	650
Car allowance	-0-
Vehicle provided by government (amount reported on W-2)	-0-
Per diem	-0-
Reimbursements	-0-
Travel	-0-
Registration fees	-0-
Conference travel	-0-
Continuing professional education fees	-0-
Housing	-0-
Unvouchered expenses	-0-
Special meals	-0-
	<u>\$ 117,625</u>



## LESTER, MILLER & WELLS

A CORPORATION OF CERTIFIED PUBLIC ACCOUNTANTS

3600 Bayou Rapides Road • Alexandria, LA 71303-3653  
Mailing Address: Post Office Box 8758 • Alexandria, LA 71306-1758  
Telephone: (318) 487-1450 • Facsimile: (318) 445-1184

3639 Ambassador Caffery Parkway, Suite 330 • Lafayette, LA 70503-5107  
Telephone: (337) 484-1020 • Facsimile: (337) 484-1029

Members: Association of International Certified Professional Accountants • Society of Louisiana Certified Public Accountants

John S. Wells, CPA  
Robert G. Miller, CPA  
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Retired 2015  
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### INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Commissioners  
Allen Parish Ambulance Service District No. 1  
Kinder, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Allen Parish Ambulance Service District No. 1 as of and for the years ended December 31, 2018 and 2017, and the related notes to the financial statements, which collectively comprise the Allen Parish Ambulance Service District No. 1's basic financial statements and have issued our report thereon dated June 26, 2019.

#### Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Allen Parish Ambulance Service District No. 1's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the basic financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Allen Parish Ambulance Service District No. 1's internal control. Accordingly, we do not express an opinion on the effectiveness of the Allen Parish Ambulance Service District No. 1's internal control.

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and responses, we identified a deficiency in internal control that we consider to be a material weakness. We consider the deficiency described in the accompanying schedule of findings and responses at 2018-1 to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Allen Parish Ambulance Service District No. 1's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Allen Parish Ambulance Service District No. 1 Response to Findings

Allen Parish Ambulance Service District No. 1's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. Allen Parish Ambulance Service District No. 1's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of This Report

This report is intended solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District'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 Ambulance District's internal control and compliance. This report is intended for the information and use of management, the Board of Commissioners, others within the entity and federal awarding agencies and pass-through entities and the Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties. Accordingly, this communication is not suitable for any other purpose, however, this report is a matter of public record and its distribution is not limited.

*Lester Miller & Wells*

Certified Public Accountants  
Lafayette, Louisiana

June 26, 2019

ALLEN PARISH AMBULANCE SERVICE DISTRICT NO. 1  
SCHEDULE OF FINDINGS AND RESPONSES  
YEAR ENDED DECEMBER 31, 2018

**Section I. Summary of Auditors' Reports**

Report on Internal Control and Compliance Material to the Financial Statements

Type of auditors' opinion issued: unmodified

Internal control over financial reporting:

- Material weakness(es) identified?  Yes  No
- Control deficiency(ies) identified that we do not consider to be material weaknesses  Yes  None reported

Noncompliance material to financial statements noted  Yes  No

**Section II. Financial Statement Findings**

2018-1 - Segregation of Duties

Condition: The Ambulance District does not have adequate segregation of duties. A system of internal control procedures contemplates a segregation of duties so that no one individual handles a transaction from its inception to its completion. While we recognize the Ambulance District may not be large enough to permit such procedures, it is important that you be aware of this condition. This condition was also included in the 2017 audit as item 2017-1.

Criteria: An effective system of internal control requires a proper segregation of duties so that no one individual handles a transaction from its inception to its completion.

Cause: The Ambulance District has a limited number of employees within the accounting department.

Effect: Ineffective system of internal controls within the accounting function.

Recommendation: Keeping in mind the limited number of personnel to which duties can be assigned, the Ambulance District should continue to monitor assignment of duties to assure as much segregation of duties and responsibility as possible, and the board should review financial information on a timely basis.

Response: The Ambulance District is aware of and evaluated this problem and concluded that it would not be cost beneficial or possible with the limited resources available to create a segregated accounting environment. However, the Ambulance District will continue to monitor this issue and the board will review financial information on a timely basis.

**Section III. Federal Award Findings and Questioned Costs**

Not applicable

**Section IV. Management Letter**

Not applicable

ALLEN PARISH AMBULANCE SERVICE DISTRICT NO. 1  
SCHEDULE OF PRIOR YEAR FINDINGS  
YEAR ENDED DECEMBER 31, 2018

**Section I. Internal Control and Compliance Material to the Financial Statements**

2017-1 - Segregation of Duties

Recommendation: Keeping in mind the limited number of personnel to which duties can be assigned; the Ambulance District should continue to monitor assignment of duties to assure as much segregation of duties and responsibility as possible, and the board should review financial information on a timely basis.

Current status: This finding is repeated at 2018-1.

**Section II. Internal Control and Compliance Material to the Federal Awards**

Not applicable

**Section III. Management Letter**

Not applicable

**ALLEN PARISH AMBULANCE  
SERVICE DISTRICT NO. 1**

**INDEPENDENT AUDITORS' REPORT  
ON APPLYING AGREED-UPON PROCEDURES**

**FOR THE YEARS ENDED  
DECEMBER 31, 2018**



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### Independent Accountant's Report on Applying Agreed-Upon Procedures

To the Board of Commissioners  
Allen Parish Ambulance Service District No. 1  
and the Louisiana Legislative Auditor

We have performed the procedures enumerated below, which were agreed to by Allen Parish Ambulance Service District No. 1 (the "District") and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2018 through December 31, 2018. The District's management is responsible for those C/C areas identified in the SAUPs.

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

The procedures and associated findings are as follows:

#### ***Board (or Finance Committee, if applicable)***

1. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
  - a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
  - b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds. *Alternately, for those entities reporting on the non-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*
  - c) For governmental entities, obtain the prior year audit report and observe the unrestricted fund balance in the general fund. If the general fund had a negative ending unrestricted fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unrestricted fund balance in the general fund.

**Findings:** *A list of all board minutes was obtained. Management provided representation that the list was complete. No exceptions noted in applying the above procedures*

To the Board of Commissioners  
Allen Parish Ambulance Service District No. 1  
and the Louisiana Legislative Auditor

### ***Bank Reconciliations***

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1. Obtain a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for selected each account, and observe that:
  - a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);
  - b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and
  - c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

***Findings:*** A list of all bank accounts was obtained. Management provided representation that the list was complete. No exceptions noted in applying the above procedures.

### ***Collections***

---

2. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

***Findings:*** A list of all deposit sites were obtained. Management provided representation that the list was complete.

3. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:
  - a) Employees that are responsible for cash collections do not share cash drawers/registers.
  - b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.
  - c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
  - d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.

To the Board of Commissioners  
Allen Parish Ambulance Service District No. 1  
and the Louisiana Legislative Auditor

**Findings:** *No exceptions noted in applying the above procedures.*

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

**Findings:** *Per written documentation, all employees with access to cash are bonded.*

5. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc. Obtain supporting documentation for each of the 10 deposits and:

- a) Observe that receipts are sequentially pre-numbered.
- b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
- c) Trace the deposit slip total to the actual deposit per the bank statement.
- d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).
- e) Trace the actual deposit per the bank statement to the general ledger.

**Findings:** *No exceptions noted in applying the above procedures.*

***Non-Payroll Disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases)***

---

6. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).

**Findings:** *A list of all locations that process payments were obtained. Management provided representation that the list was complete.*

7. For each location selected under #6 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:

- a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
- b) At least two employees are involved in processing and approving payments to vendors.
- c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
- d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

To the Board of Commissioners  
Allen Parish Ambulance Service District No. 1  
and the Louisiana Legislative Auditor

**Findings:** *The Director processes payments and is responsible for adding/modifying vendor files.*

**Management's Response:** *Management is aware of the segregation of duties deficiency due to limited staff. Dual signatures by the Director or Assistant Director and a Board member are required on all payments.*

8. For each location selected under #6 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:
  - a) Observe that the disbursement matched the related original invoice/billing statement.
  - b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #6, as applicable.

**Findings:** *No exceptions noted in applying the above procedures.*

#### **Credit Cards/Debit Cards/Fuel Cards/P-Cards**

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9. 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.

**Findings:** *A list of all active credit cards, bank debit cards, fuel cards, and P-cards, was obtained. Management provided representation that the list was complete.*

10. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:
  - a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing, by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]
  - b) Observe that finance charges and late fees were not assessed on the selected statements.

**Findings:** *The credit statements and supporting documentation were reviewed and approved, in writing, by a board member. No finance charges and/or late fees were assessed on the selected statements.*

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

To the Board of Commissioners  
Allen Parish Ambulance Service District No. 1  
and the Louisiana Legislative Auditor

**Findings:** All transactions tested was supported by an itemized receipt identifying what was purchased and documentation on the business/public purpose. None of the transactions tested were for meals.

### ***Travel and Travel Related Expense Reimbursement***

---

12. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:
- a) If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov)).
  - b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
  - c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy.
  - d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

**Findings:** A list of all travel and travel-related expense reimbursements was obtained. Management provided representation that the list was complete. The District had 1 travel related reimbursement in the year tested. The reimbursement agreed with the mileage rate established by the State of Louisiana. The reimbursement was supported by documentation of the business/public purpose and reviewed and approved by someone other than the person receiving the reimbursement.

### ***Contracts***

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13. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:
- a) Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
  - b) Observe that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).
  - c) If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment.

To the Board of Commissioners  
Allen Parish Ambulance Service District No. 1  
and the Louisiana Legislative Auditor

- d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

**Findings:** A list of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. Management provided representation that the list was complete. No exceptions noted in applying the above procedures.

### ***Payroll and Personnel***

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

**Findings:** A listing of all employees with their related salaries was obtained. Management provided representation that the listing was complete.

15. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #14 above, obtain attendance records and leave documentation for the pay period, and:

- a) Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)
- b) Observe that supervisors approved the attendance and leave of the selected employees/officials.
- c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.

**Findings:** No exceptions noted in applying the above procedures.

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

**Findings:** No exceptions were noted in applying the above procedure.

17. Obtain management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.

**Findings:** No exceptions were noted in applying the above procedure.

### ***Ethics***

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18. Using the 5 randomly selected employees/officials from procedure #13 under "Payroll and Personnel" above obtain ethics documentation from management, and:

To the Board of Commissioners  
Allen Parish Ambulance Service District No. 1  
and the Louisiana Legislative Auditor

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

**Findings:** *No exceptions were noted in applying the above procedure.*

We were not engaged to perform, and did not perform, an audit, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the user of management of Allen Parish Ambulance Service District No. 1 and the Louisiana Legislative Auditor, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Lester, Miller & Wells*

Certified Public Accountants  
Lafayette, Louisiana

June 26, 2019