

**CAMERON PARISH AMBULANCE
DISTRICT NO. 2**

Financial Statements

December 31, 2016

CAMERON PARISH AMBULANCE DISTRICT NO. 2

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**CAMERON PARISH AMBULANCE DISTRICT NO. 2
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF DECEMBER 31, 2016**

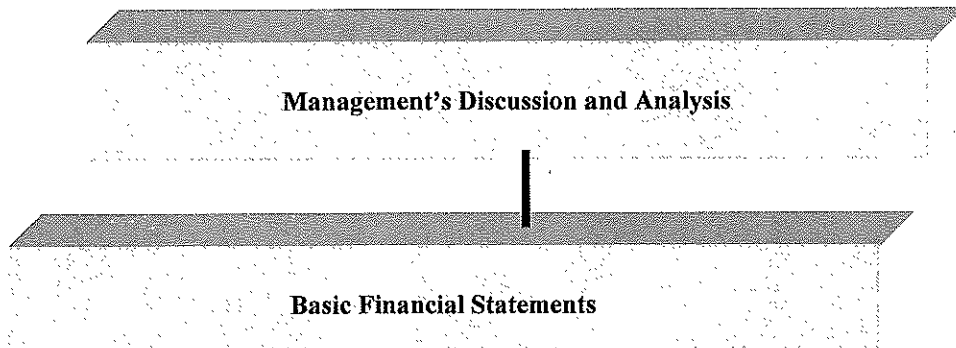
The Management's Discussion and Analysis of the Cameron Parish Ambulance District No. 2's financial performance presents a narrative overview and analysis of the Cameron Parish Ambulance District No. 2's financial activities for the year ended December 31, 2016. This document focuses on the current year's 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 2016 by \$4,421,191 of this amount, \$2,693,481 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 increased \$110,429 and the net operating income decreased by \$129,588 from prior year. The income increase was due to increased patient service revenues. The operating expenses increase was due to increases in insurance, payroll and taxes, fees and depreciation. The change in net position decreased by \$333,149 caused by decreased ad valorem taxes received.

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, 2016**

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

Summary of Net Position

	<u>2016</u>	<u>2015</u>
Assets:		
Current Assets	\$5,070,997	\$4,919,818
Capital Assets	<u>1,727,710</u>	<u>1,508,529</u>
Total Assets	6,798,707	6,428,347
Deferred Outflows of resources	<u>664,625</u>	<u>245,363</u>
Liabilities:		
Current Liabilities	298,915	181,179
Long-Term Liabilities	<u>2,669,264</u>	<u>2,039,332</u>
Total Liabilities	2,968,179	2,220,511
Deferred Inflows of resources	<u>73,962</u>	<u>21,977</u>
Net Position:		
Capital Net of Debt	1,727,710	1,508,529
Unrestricted	<u>2,693,481</u>	<u>2,922,693</u>
Total Net Position	<u>\$4,421,191</u>	<u>\$4,431,222</u>

**CAMERON PARISH AMBULANCE DISTRICT NO. 2
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF DECEMBER 31, 2016**

	<u>2016</u>	<u>2015</u>
Operating Revenues	\$ 272,383	\$ 161,954
Operating Expenses	<u>(2,418,038)</u>	<u>(2,178,021)</u>
Net Operating Income/(Loss)	<u>(2,145,655)</u>	<u>(2,016,067)</u>
Non-operating Revenues	2,135,624	2,339,185
Non-operating (Expenses)	<u>-</u>	<u>-</u>
Net Non-operating Income/(Loss)	<u>2,135,624</u>	<u>2,339,185</u>
Change In Net Position	<u>\$ (10,031)</u>	<u>\$ 323,118</u>

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

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

As of December 31, 2016, the Cameron Parish Ambulance District No. 2 had \$1,727,710, net of accumulated depreciation, invested in a broad range of capital assets, including buildings, equipment, and ambulances. This amount represents a net increase (including additions and deductions) of \$43,735 over last year.

	<u>2016</u>	<u>2015</u>
Ambulance	\$ 858,496	\$ 881,322
Construction in Progress	34,875	-
Buildings	1,175,597	1,163,472
Vehicles	25,453	25,453
Other Property and Equipment	708,562	689,001
Land	69,378	69,378
Less: Accumulated Depreciation	<u>(1,144,651)</u>	<u>(1,320,097)</u>
Totals	<u>\$1,727,710</u>	<u>\$1,508,529</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

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

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities of the Cameron Parish Ambulance District No. 2, a component unit of the Cameron Parish Police Jury, as of and for the years ended December 31, 2016 and 2015 and the related notes to the financial statements, which collectively comprise the 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 opinions on these financial statements based on our audits. We conducted our 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 we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to in the above present fairly, in all material respects, the respective financial position of the business-type activities of the Cameron Parish Ambulance District No. 2 as of December 31, 2016, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 2 through 4, and the Schedule of the District's share of net pension liability and contributions and notes on pages 25 through 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 audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedules of Compensation Paid Board Members and *Compensation, Benefits, and Other Payments to Agency Head or Chief Executive Officer* are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 29, 2017, on our consideration of the Cameron Parish Ambulance District No. 2's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Cameron Parish Ambulance District No. 2's internal control over financial reporting and compliance.

McMullen and Mancuso, CPAs, LLC

McMullen and Mancuso CPAs, LLC

Sulphur, Louisiana
June 29, 2017

Cameron Parish Ambulance District No. 2
Statement of Net Position
December 31, 2016
with comparative totals for 2015

Assets

	<u>2016</u>	<u>2015</u>
Current Assets		
Cash and cash equivalents	\$ 1,031,652	\$ 756,324
Investments	1,750,000	1,750,000
Patient accounts receivable, net	47,259	36,088
Theft loss receivable	13,503	20,350
Ad valorem tax receivable	2,120,929	2,258,588
Tuition receivable	2,115	-
Accrued interest income	-	1,987
Prepaid expenses	62,176	57,611
Inventory	43,363	38,870
Total Current Assets	<u>5,070,997</u>	<u>4,919,818</u>
Plant, Property, and Equipment		
Ambulances	858,496	881,322
Vehicle	25,453	25,453
Buildings	1,175,597	1,163,472
Other property and equipment	708,562	689,001
Construction in progress	34,875	-
Land	69,378	69,378
Accumulated depreciation	<u>(1,144,651)</u>	<u>(1,320,097)</u>
Total Plant, Property, and Equipment	<u>1,727,710</u>	<u>1,508,529</u>
Total Assets	<u>6,798,707</u>	<u>6,428,347</u>
Deferred Outflows of Resources	<u>664,625</u>	<u>245,363</u>

Liabilities and Net Position

Current Liabilities		
Accounts payable	69,398	25,907
Accrued liabilities	153,649	75,306
Ad valorem deductions	75,868	79,966
Total Current Liabilities	<u>298,915</u>	<u>181,179</u>
Long Term Liabilities		
Deferred tax revenue	2,211,920	1,990,728
Net pension liability	457,344	48,604
Total Long Term Liabilities	<u>2,669,264</u>	<u>2,039,332</u>
Total Liabilities	2,968,179	2,220,511
Deferred Inflows of Resources	73,962	21,977
Net Position		
Capital assets, net of related debt	1,727,710	1,508,529
Unrestricted	<u>2,693,481</u>	<u>2,922,693</u>
Total Net Position	<u>\$ 4,421,191</u>	<u>\$ 4,431,222</u>

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

Cameron Parish Ambulance District No. 2
Statement of Revenues, Expenses, and Changes in Net Position
For The Year Ended December 31, 2016
with comparative totals for 2015

	2016	2015
Operating Revenues:		
Net patient service revenues	\$ 272,383	\$ 147,454
Other income	-	14,500
	272,383	161,954
Operating Expenses:		
Advertising and promotional	3,083	341
Bank charges and credit card fees	618	118
Depreciation	210,592	183,916
Dispatch services	20,004	20,012
Dues and subscriptions	1,175	486
Continuing education	5,661	2,085
Employee retirement	196,791	210,145
Employee drug test	2,077	2,351
Fuel	16,230	15,028
Insurance	458,692	403,346
Office expenses	2,031	25,480
Other expenses	9,075	1,096
Payroll taxes	19,966	16,408
Professional fees	132,962	92,596
Repairs and maintenance	49,567	53,268
Salaries	1,171,107	1,020,785
Station supplies	64,795	79,153
Taxes and licenses	2,150	5,007
Telephone and utilities	42,632	43,029
Travel and auto	2,724	2,473
Uniforms	6,106	898
Total Operating Expenses	2,418,038	2,178,021
Operating Income (Loss)	(2,145,655)	(2,016,067)
Non-operating Income (Expenses)		
Ad valorem taxes	2,088,971	2,307,317
Miscellaneous Income	2,687	-
State grant	-	3,785
Interest income	4,952	4,636
Gain on sale of asset	26,372	10,759
Non employer pension contribution revenue	12,642	12,688
Total Non-Operating Income (Expenses)	2,135,624	2,339,185
Change in Net Position	(10,031)	323,118
Net Position at Beginning of Year, As Originally Reported	4,431,222	4,181,469
Prior Period Adjustments	-	(73,365)
Net Position at Beginning of Year, As Restated	4,431,222	4,108,104
Net Position at End of Year	\$ 4,421,191	\$ 4,431,222

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

Cameron Parish Ambulance District No. 2
Statement of Cash Flows
For the Year Ended December 31, 2016
with comparative totals for 2015

	2016	2015
Cash Flows From Operating Activities:		
Receipts from and on behalf of patients	\$ 261,212	\$ 192,790
Payments to suppliers and other operating expenses	(889,507)	(940,760)
Payments to employees	(1,154,504)	(1,025,449)
Other receipts and payments, net	4,732	21,122
Net Cash (Used) by Operating Activities	(1,778,067)	(1,752,297)
 Cash Flows From Non-Capital Financing Activities:		
Ad valorem taxes	2,447,822	2,459,496
Other revenues	2,687	-
LHA grant reimbursement	-	3,785
Net Cash Provided By Non-Capital Financing Activities	2,450,509	2,463,281
 Cash Flows From Capital and Related Financing Activities:		
Proceeds from sales of assets	27,024	16,560
Construction in progress	(34,875)	-
Purchase of plant, property and equipment	(392,228)	(267,820)
Net Cash (Used) by Capital and Related Financing Activities	(400,079)	(251,260)
 Cash Flows From Investing Activities:		
Purchase of investment in LAMP	(1,750,000)	-
Redemption of certificates of deposit	1,750,000	-
Purchase of certificates of deposit	-	(750,000)
Interest income	2,965	2,750
Net Cash (Used) by Investing Activities	2,965	(747,250)
 Net Increase (Decrease) in Cash and Cash Equivalents	275,328	(287,526)
 Cash and Cash Equivalents at Beginning of Year	756,324	1,043,850
 Cash and Cash Equivalents at End of Year	\$ 1,031,652	\$ 756,324

Cameron Parish Ambulance District No. 2
Statement of Cash Flows (continued)
For the Year Ended December 31, 2016
with comparative totals for 2015

	2016	2015
Reconciliation of Operating Income (Loss) to Net		
Cash Provided (Used) by Operating Activities:		
Operating income (loss)	\$ (2,145,655)	\$ (2,016,067)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
Depreciation	210,592	183,916
Pension expense	196,791	-
Loss on disposal of assets	652	-
Deferred outflows - contributions after the measurement date	(142,686)	-
(Increase) decrease in inventory	(4,493)	13,947
(Increase) decrease in patient receivable	(11,171)	45,336
(Increase) decrease in theft loss receivable	6,847	6,622
(Increase) decrease in prepaid expenses	(4,565)	(4,585)
(Increase) decrease in tuition receivable	(2,115)	-
Increase (decrease) in accounts payable	43,491	20,467
Increase (decrease) in accrued liabilities	78,343	(4,664)
Increase (decrease) in payroll taxes payable	-	(110)
Increase (decrease) in ad valorem deduction	(4,098)	2,841
Net Cash (Used) by Operating Activities	\$ (1,778,067)	\$ (1,752,297)

CAMERON PARISH AMBULANCE DISTRICT NO. 2

Notes to Financial Statements December 31, 2016

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 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

CAMERON PARISH AMBULANCE DISTRICT NO. 2

Notes to Financial Statements
December 31, 2016

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

B. Basis of Accounting (continued)

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 \$1,000 or more for capitalizing capital assets. The following estimated useful lives are generally used:

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

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 payors. 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.

CAMERON PARISH AMBULANCE DISTRICT NO. 2

Notes to Financial Statements December 31, 2016

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

J. 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.

K. Income Taxes

The District is a political subdivision and exempt from taxes.

L. 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.

M. 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 reasonable 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, 2016, management is not aware of any liability resulting from environmental matters.

N. 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.
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.

CAMERON PARISH AMBULANCE DISTRICT NO. 2

Notes to Financial Statements December 31, 2016

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, 2016, the District has cash and cash equivalents (book balances) totaling \$1,031,652. 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, 2016, the District had \$2,782,871 in deposits (collected bank balances). These deposits were secured by \$250,000 of federal deposit insurance and \$2,532,871 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 No. 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 has failed to pay deposited funds on 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, 2016 consist of \$1,750,000 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, 2016 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.

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. Accordingly, LAMP investments are restricted to securities issued, guaranteed, or backed by the U. S. Treasury, the U.S. Government, or one of its agencies, enterprises, or instrumentalities, as well as repurchase agreements collateralized by those securities.

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.

CAMERON PARISH AMBULANCE DISTRICT NO. 2

Notes to Financial Statements
December 31, 2016

Note 3 –Investments (continued)

Lamp is a 2a7-like investment pool. The following facts are relevant for 2a7 like 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: 2a7-like investment pools are excluded from this disclosure requirement, per paragraph 15 of the GASB 40 statement.*
- *Foreign currency risk: Not applicable to 2a7-like pools.*

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.

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.

Note 4 –Patient Accounts Receivable

Patient accounts receivable reported as current assets by the Ambulance District at December 31, 2016, are as follows:

<u>Patient Accounts Receivable</u>	<u>2016</u>
Receivables from patients, insurance carriers, Medicare and Medicaid	\$ 47,259
Less allowance for uncollectible amounts	-
Patient accounts receivable, net	<u>\$ 47,259</u>

No provision has been made for bad debt expense at December 31, 2016.

CAMERON PARISH AMBULANCE DISTRICT NO. 2

**Notes to Financial Statements
December 31, 2016**

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, 2016, approximately 35% 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, 2016 include amounts from Medicare, Medicaid, and other third-party payers.

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 \$2,221,963 on assessed property valued at \$169,766,386.

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, 2016, are as follows:

<u>Ad Valorem Tax Receivable</u>	<u>2016</u>
Ad valorem taxes	\$ 2,165,369
Less allowance for uncollectible amounts	<u>44,439</u>
Ad valorem tax receivable, net	<u><u>\$ 2,120,930</u></u>

CAMERON PARISH AMBULANCE DISTRICT NO. 2

Notes to Financial Statements
December 31, 2016

Note 7 - Ad Valorem Taxes (continued)

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 \$56,595 and \$47,600 at December 31, 2016 and 2015, respectively.

The \$2,211,920 in Deferred Tax Revenue represents nine of the ten years of ad valorem taxes that Sabine Pass LNG would pay from 2019 to 2028 but given to the District to expedite the District's hurricane recovery process. These funds are recorded as deferred revenue and will not be recognized as revenue until 2018.

The following are the principal taxpayers for the parish and their 2016 assessed valuation (amounts expressed in thousands):

	2016	
	<u>Assessed Valuation</u>	<u>Percent</u>
Natural Gas Pipeline	\$ 11,118,120	9.47%
Kinder Morgan Louisiana Pipeline, LLC	10,732,480	9.15%
Transcontinental Gas Pipeline	9,243,140	7.88%
Hilcorp Energy Company	9,088,864	7.75%
Northstar Offshore Group, LLC	9,008,613	7.68%
Gulfport Energy Corporation	6,067,171	5.17%
Bechtel Equipment Operations, Inc.	4,926,910	4.20%
Chenier Creole Trail Pipeline	4,778,940	4.07%
Texas Petroleum Investment Company	4,679,455	3.99%
Moran Towing of Lake Charles, LLC	4,358,400	3.71%
	<u>74,002,093</u>	<u>63.07%</u>
Remaining taxpayers	43,339,901	36.93%
Total assessed value	<u>\$ 117,341,994</u>	<u>100.00%</u>

CAMERON PARISH AMBULANCE DISTRICT NO. 2

Notes to Financial Statements
December 31, 2016

Note 8 – Capital Assets

Additions and deletions to property, plant, and equipment for the year ended December 31, 2016 were as follows:

	Balance January 1,	Additions	Deletions	Balance December 31,
Ambulance	\$ 881,321	\$ 310,605	\$ (333,431)	\$ 858,495
Buildings	1,163,472	12,125	-	1,175,597
Vehicles	25,453	-	-	25,453
Other Property and Equipment	689,003	72,819	(53,259)	708,563
Land	69,378	-	-	69,378
Total	<u>2,828,627</u>	<u>395,549</u>	<u>(386,690)</u>	<u>2,837,486</u>
Less Accumulated Depreciation	(1,320,097)	(210,592)	386,038	(1,144,651)
Add Construciton in Progress	-	34,875	-	34,875
Total	<u>(1,320,097)</u>	<u>(175,717)</u>	<u>386,038</u>	<u>(1,109,776)</u>
Capital Assets, net	<u>\$ 1,508,530</u>	<u>\$ 219,832</u>	<u>\$ (652)</u>	<u>\$ 1,727,710</u>

Depreciation expense for the year ending December 31, 2016 totaled \$210,592.

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, 2016, employees of the District have accumulated and vested \$75,868 of employee leave benefits, computed in accordance with GASB Codification Section C60.

CAMERON PARISH AMBULANCE DISTRICT NO. 2

Notes to Financial Statements December 31, 2016

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 11:1901 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/hers 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.

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 Deferred 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.

CAMERON PARISH AMBULANCE DISTRICT NO. 2

Notes to Financial Statements December 31, 2016

Note 10 – Retirement Commitments (continued)

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 commencing at age 55.

Employer Contributions

According to state statute, contributions for all employers are actuarially determined each year. For the year ended December 31, 2015, the actuarially determined contribution rate was 10.4% of member's compensation for Plan A. However, the actual rate for the fiscal year ending December 31, 2015 was 14.5% for Plan A.

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 A 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.

CAMERON PARISH AMBULANCE DISTRICT NO. 2

Notes to Financial Statements
December 31, 2016

Note 10 – Retirement Commitments (continued)

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

At December 31, 2016, the District reported liabilities in its financial statements of \$457,344 for its proportionate share of the net pension liabilities of PERS. The net pension liabilities were measured as of December 31, 2015 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 liability 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. At December 31, 2015, the District's proportional share of PERS was .002%, which was a decrease of .1758% from its portions measured as of December 31, 2014.

For the year ended December 31, 2016, the District recognized a net pension expense of \$196,791 in its activities.

At December 31, 2016, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Governmental Activities</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ -	\$ 72,684
Net difference between projected and actual earnings on pension plan investments	418,483	-
Changes of assumptions about future or demographic factors	101,903	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	522	247
Employer contributions subsequent to the measurement date	<u>142,686</u>	<u>-</u>
	<u>\$ 663,594</u>	<u>\$ 72,931</u>

CAMERON PARISH AMBULANCE DISTRICT NO. 2

Notes to Financial Statements
December 31, 2016

Note 10 – Retirement Commitments (continued)

The \$142,686 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, 2017. 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	
2016	\$ 118,228
2017	118,228
2018	125,391
2019	86,130
	\$ 447,977

Actuarial Assumptions

A summary of the actuarial methods and assumptions used in determining the total pension liability as of December 31, 2016 are as follows:

	<u>Parochial Employees' Retirement System of Louisiana Plan A</u>
Valuation Date	December 31, 2015
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Investment Rate of Return	7.0%, net of investment expense, including inflation
Projected Salary Increases	5.25% (2.75% Merit, 2.50% Inflation)
Expected Remaining Service Lives	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.
Mortality	RP-2000 Employee Sex Distinct Table was selected for employees. RP-2000 Healthy Annuitant Sex Distinct Tables were selected for annuitants and beneficiaries. RP-2000 Disabled Lives Mortality Table was selected for disabled annuitants.

CAMERON PARISH AMBULANCE DISTRICT NO. 2

Notes to Financial Statements
December 31, 2016

Note 10 – Retirement Commitments (continued)

The discount rate used to measure the total pension liability was 7.0% 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.

Amounts reported in fiscal year ended December 31, 2015 for Parochial Employees' Retirement System reflect an adjustment in the discount rate used to measure the total pension liability. The discount rate for the System was reduced by 0.25% to 7.00% as of the valuation date December 31, 2015. Other changes are as follows:

Valuation Date	December 31, 2015	December 31, 2014
Inflation Rate	2.50%	3.00%
Project Salary Increases	5.25% (2.50% Inflation, 2.75% Merit)	5.75% (3.00% Inflation, 2.75% Merit)

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 7.55% for the year ended December 31, 2015.

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, 2015 are summarized in the following table:

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Long-Term Expected Portfolio Real Rate of Return</u>
Fixed income	34%	1.06%
Equity	51%	3.56%
Alternatives	12%	0.74%
Real assets	3%	0.19%
Totals	<u>100%</u>	<u>5.55%</u>
Inflation		<u>2.00%</u>
Expected Arithmetic Nominal Return		<u>7.55%</u>

CAMERON PARISH AMBULANCE DISTRICT NO. 2

Notes to Financial Statements
December 31, 2016

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, 2010 through December 31, 2014. 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 of the participating employers calculated using the discount rate of 7.0%, as well as what the employers' net pension liability would be if it were calculated using a discount rate that is one percentage point lower 6.0% or one percentage point higher 8.0% that the current rate.

	Changes in Discount Rate: 2015		
	1% Decrease 6.0%	Current Discount Rate 7.0%	1% Increase 8.0%
Net Pension Liability (Asset)	\$ 1,145,813	\$ 457,344	\$ (124,495)

Changes in Net Pension Liability

The changes in the net pension liability for the year ended December 31, 2015 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 \$72,684 for the year ended December 31, 2016.

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 \$418,483 for the year ended December 31, 2016.

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 \$101,903 for the year ended December 31, 2016.

CAMERON PARISH AMBULANCE DISTRICT NO. 2

Notes to Financial Statements December 31, 2016

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 \$522 and in a deferred inflow of \$247 for the year ended December 31, 2016.

Note 11 – Post – Employment Benefits

As a component unit of the Cameron Parish Police Jury, the District was required to implement GASB Statement No. 45 – Financial Reporting for Postemployment Benefit Plans Other Than Pensions. The District does not offer any of these types of benefits to employees and therefore has no liability in relation to the implementation of the statement.

Note 12 – Contingencies/Litigation

In April 2010, the FBI seized the District’s accounting records subsequent to the occurrence of defalcation and fraud committed by the former Executive Director and certain other parties associated with the District’s monthly accounting function. More records were seized in July 2010 and most of these records have not been returned as the investigation has not concluded.

It was determined, that for the years 2005 through 2010, a total of \$386,030 was paid in excess salaries and compensation to the former Executive Director, and in fraudulent amounts to the employees of the accounting firm hired by the District to perform its accounting and financial duties. A substantial amount of the theft of the District funds and the excess compensation to the District Director began and occurred in the first quarter of 2010.

A formal suit had been filed by the Cameron Parish District Attorney on behalf of the District to handle litigation to recover these missing funds. The District received a letter from the Cameron Parish District Attorney on January 25, 2013. Settlement funds were received and available for deposit. A total of \$269,981 has been received by the parties associated with the fraud, reducing the amount owed to the District to \$13,503. The remainder, \$102,546, will not be collected by the District, and was considered unrecoverable.

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 – Construction Commitment

The District was making improvements to the Hackberry Station at December 31, 2016. The total cost of the project was \$38,750. The costs incurred as of December 31, 2016 was \$34,875.

Note 14 – Subsequent Events

Subsequent events were evaluated through June 29, 2016, which is the date the financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

Cameron Parish Ambulance District No. 2

**Schedule of Employer's Share of Net Pension Liability
For the Year Ended December 31, 2016**

<u>Year Ended Dec 31</u>	<u>Employer Proportion of the Net Pension Liability (Asset)</u>	<u>Employer Proportionate Share of the Net Pensions Liability (Asset) (a)</u>	<u>Employer's Covered Employee Payroll (b)</u>	<u>Employer's Proportionate Share of the Net Pension Liability (Asset) as a percentage of its Covered Employee Payroll (a/b)</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</u>
2015	0.002%	457,344	1,097,582	41.670%	92.230%
2014	0.1778%	48,604	996,178	4.88%	99.15%

This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Cameron Parish Ambulance District No. 2

**Schedule of Employer Contributions
For the Year Ended December 31, 2016**

<u>Year Ended Dec 31</u>	<u>Contractually Required Contribution</u>	<u>Contributions in Relation to Contractually Required Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Employer's Covered Employee Payroll</u>	<u>Contributions as a % of Covered Employee Payroll</u>
2016	142,686	142,686	-	1,097,582	13.00%
2015	144,446	144,446	-	996,178	14.50%

This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Cameron Parish Ambulance District No. 2

**Notes to Retirement System Schedules
For the Year Ended December 31, 2016**

Parochial Employees' Retirement System

Changes of benefit terms - There were no changes of benefit terms for the year ended December 31, 2016.

Changes of assumptions - There were no changes of benefit assumptions for the year ended December 31, 2016.

CAMERON PARISH AMBULANCE DISTRICT NO. 2

**Schedule of Compensation Paid Board Commissioners
For the Year Ended December 31, 2016**

Board Member	Amount
Glenn Trahan	\$ 366
Gwen Constance	127
Kattie Toups	152
Phyllis Doxey	475
Randall McFatter	478
Richard Burbank	274
Total Compensation Paid to Board Members	<u>\$ 1,872</u>

The accompanying note is an integral part of this schedule.

Board members receive 51 cents per mile mileage reimbursement for attendance of each board meeting.
This policy was implemented September 2015.

CAMERON PARISH AMBULANCE DISTRICT NO. 2

Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer
For the Year Ended December 31, 2016

Agency Head Name: Rhonda Coleman, Executive Director

Purpose	Amount
Salary	\$74,368
Benefits- Insurance	\$17,374
Benefits- Retirement	\$7,065
Benefits- Other	\$0
Car Allowance	\$0
Vehicle provided by government	\$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

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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***

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

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 business activities of the Cameron Parish Ambulance District No. 2, a component unit of the Cameron Parish Police Jury, as of and for the years ended December 31, 2016 and 2015, and the related notes to the financial statements, which collectively comprise the Cameron Parish Ambulance District No. 2's basic financial statements, and have issued our report thereon dated June 29, 2017.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Cameron Parish Ambulance District No. 2'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 financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

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

Members

American Institute of Certified Public Accountants
Louisiana Society of Certified Public Accountants

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Cameron Parish Ambulance District No. 2's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

This report is intended for the information and use of management of the Cameron Parish Ambulance District No. 2, the Cameron Parish Police Jury, and the Legislative Auditor of the State of Louisiana and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

McMullen and Mancuso, CPAs, LLC

McMullen and Mancuso CPAs, LLC

Sulphur, Louisiana
June 29, 2017

CAMERON PARISH AMBULANCE DISTRICT NO. 2
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the Year Ended December 31, 2016

There were no audit findings reported for the year ended December 31, 2015.