

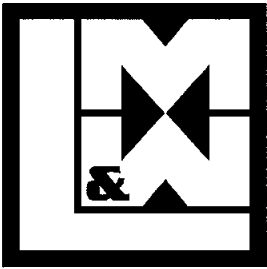
ALLEN PARISH AMBULANCE SERVICE DISTRICT NO. 1

**FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT**

**FOR THE YEARS ENDED
DECEMBER 31, 2016 AND 2015**

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INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying statement of net position of Allen Parish Ambulance Service District No. 1, a component unit of the Allen Parish Police Jury, as of December 31, 2016, and the related statement of revenues, expenses, and changes in net position and cash flows for the year 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 basic 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 audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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, 2016, and the respective changes in financial position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Prior Period Financial Statements

The financial statements of Allen Parish Ambulance Service District No. 1, as of December 31, 2015, were audited by other auditors whose report dated June 29, 2016, expressed an unmodified opinion on those statements.

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, 2016, the changes in its financial position, or its cash flows for the year 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 audit was 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 28, 2017, 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.



Certified Public Accountants
Lafayette, Louisiana

June 28, 2017



BASIC FINANCIAL STATEMENTS

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

	<u>2016</u>	<u>2015</u>
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES		
CURRENT ASSETS		
Cash and cash equivalents (Note 3)	\$ 488,498	\$ 280,540
Certificates of deposit	1,260,441	1,055,055
Patient accounts receivable, net of estimated uncollectibles of \$147,584 in 2016 and \$202,245 in 2015 (Note 5)	291,092	177,954
Ad valorem tax receivable, net of estimated uncollectibles of \$17,422 in 2016 and \$11,152 in 2015	295,403	99,489
Due from other governmental agencies	186,326	314,562
Inventory	31,565	32,785
Prepaid expenses	61,069	56,269
Other receivables	<u>10,886</u>	<u>1,651</u>
Total current assets	2,625,280	2,018,305
CAPITAL ASSETS		
Property, plant and equipment, at cost, less accumulated depreciation of \$910,507 in 2016 and \$799,151 in 2015 (Note 7)	<u>390,304</u>	<u>471,116</u>
Total assets	3,015,584	2,489,421
DEFERRED OUTFLOWS OF RESOURCES		
Defined benefit pension plan (Note 10)	<u>642,179</u>	<u>239,005</u>
Total assets and deferred outflows of resources	\$ <u>3,657,763</u>	\$ <u>2,728,426</u>

See accompanying notes to financial statements.

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

	<u>2016</u>	<u>2015</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION		
CURRENT LIABILITIES		
Accounts payable	\$ 362	\$ 753
Accrued liabilities	<u>541,215</u>	<u>117,474</u>
Total current liabilities	<u>541,577</u>	<u>118,227</u>
DEFERRED INFLOWS OF RESOURCES		
Defined benefit pension plan (Note 10)	<u>73,560</u>	<u>23,586</u>
NET POSITION		
Net investment in capital assets	390,304	471,116
Unrestricted	<u>2,652,322</u>	<u>2,115,497</u>
Total net position	<u>3,042,626</u>	<u>2,586,613</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 3,657,763</u>	<u>\$ 2,728,426</u>

See accompanying notes to financial statements.

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

	<u>2016</u>	<u>2015</u>
Operating revenues:		
Net patient service revenues, net of provision for bad debts of \$168,212 in 2016 and \$234,309 in 2015 (Note 3)	\$ 1,157,943	\$ 1,092,092
Other operating revenues	<u>739,303</u>	<u>368,243</u>
Total operating revenues	<u>1,897,246</u>	<u>1,460,335</u>
Operating expenses:		
Salaries	959,319	1,002,041
Advertising	4,741	4,706
Board members' per diems	3,100	2,050
Repairs and maintenance	29,337	38,296
Depreciation expense	111,356	79,087
Employee benefits	81,534	87,687
Fuel expense	21,729	25,453
Insurance expense	45,957	53,015
Intergovernmental transfer - supplemental payment program	349,300	161,666
Medical director	2,750	3,250
Other expenses	14,164	27,156
Payroll taxes	11,821	14,092
Postage and delivery	2,154	2,602
Professional expenses	34,583	33,564
Retirement expense	180,325	111,033
Supplies	65,296	56,818
Telephone expense	12,181	12,026
Utilities	<u>9,921</u>	<u>12,182</u>
Total operating expenses	<u>1,939,568</u>	<u>1,726,724</u>
Operating loss	<u>(42,322)</u>	<u>(266,389)</u>
Non-operating revenues:		
Ad valorem taxes, net of pension deduction	485,438	484,292
Investment income	<u>12,897</u>	<u>10,221</u>
Total non-operating revenues	<u>498,335</u>	<u>494,513</u>
Increase in net position	\$ <u>456,013</u>	\$ <u>228,124</u>

See accompanying notes to financial statements.

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

	<u>2016</u>	<u>2015</u>
Increase in net position (carried forward)	\$ <u>456,013</u>	\$ <u>228,124</u>
Net position beginning of year, as previously reported	2,586,613	2,221,717
Cumulative effect - Implementation of GASB 68:		
Net pension liability	-0-	(11,431)
Deferred outflows - Ambulance District's contributions made subsequent to December 31, 2013 measurement date through December 31, 2014	<u>-0-</u>	<u>148,203</u>
Net position, beginning of year, as restated	<u>2,586,613</u>	<u>2,358,489</u>
Net position, end of year	\$ <u><u>3,042,626</u></u>	\$ <u><u>2,586,613</u></u>

See accompanying notes to financial statements.

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

	<u>2016</u>	<u>2015</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from and on behalf of patients	\$ 1,044,805	\$ 1,180,624
Payments to suppliers and contractors	(815,249)	(760,332)
Payments to employees	(946,393)	(1,002,132)
Other receipts and payments, net	<u>730,780</u>	<u>368,126</u>
Net cash provided by (used in) operating activities	<u>13,943</u>	<u>(213,714)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Ad valorem taxes	<u>417,760</u>	<u>468,557</u>
Net cash provided by non-capital financing activities	<u>417,760</u>	<u>468,557</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Payments for the purchase of property and equipment	<u>(30,544)</u>	<u>(210,186)</u>
Net cash used in capital and related financing activities	<u>(30,544)</u>	<u>(210,186)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest income	12,185	10,122
Redemption of certificates of deposit	300,003	-0-
Purchase of certificates of deposit	<u>(505,389)</u>	<u>(2,535)</u>
Net cash provided by (used in) investing activities	<u>(193,201)</u>	<u>7,587</u>
Net increase in cash and cash equivalents	207,958	52,244
Cash and cash equivalents, beginning	<u>280,540</u>	<u>228,296</u>
Cash and cash equivalents, ending	\$ <u>488,498</u>	\$ <u>280,540</u>

See accompanying notes to financial statements.

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

	<u>2016</u>	<u>2015</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES		
Operating loss	\$ (42,322)	\$ (266,389)
Adjustment to reconcile operating loss to net cash used in operating activities:		
Depreciation	111,356	79,087
Provision for bad debts	168,212	234,309
(Increase) decrease in assets -		
Patient accounts receivable	(281,350)	(145,777)
Prepaid expenses	(4,800)	(20,018)
Inventories	1,220	(4,669)
Other receivables	(8,523)	(117)
Change in deferred outflows of resources	(403,174)	(90,802)
Increase (decrease) in liabilities -		
Accounts payable	(391)	753
Accrued liabilities	423,741	(12,246)
Change in deferred inflows of resources	<u>49,974</u>	<u>12,155</u>
Net cash provided by (used in) operating activities	\$ <u>13,943</u>	\$ <u>(213,714)</u>

See accompanying notes to financial statements.

ALLEN PARISH AMBULANCE SERVICE DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2016 AND 2015

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, 2016 AND 2015

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, 2016 AND 2015

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.

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.

ALLEN PARISH AMBULANCE SERVICE DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2016 AND 2015

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, 2016 and 2015, management is not aware of any liability resulting from environmental matters.

Recent Pronouncements

For the year ending December 31, 2015, the District adopted the Governmental Accounting Standards Board (GASB) issued Statement No. 68 "*Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27*" as amended by GASB 71. The cumulative effect of the adoption of these new standards on beginning net position in the 2015 was an increase of unrestricted net position in the amount of \$136,772.

In March 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 72, "*Fair Value Measurement and Application*," which addresses how state and local governments should account and report issues related to fair value measurements. The Statement notes that a government should consider the level at which an asset or liability measured at fair value is aggregated or disaggregated for measurement, recognition or disclosure purposes. In addition, the Statement requires a government to deploy one of three valuation techniques that are appropriate and for which sufficient data is available to measure fair value. Statement No. 72 is effective for financial statements with reporting periods beginning after June 15, 2015.

In June 2015, the Governmental Accounting Standards Board (GASB) issued Statement No.76, "*The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*." Statement No. 76 reduces the U.S. GAAP hierarchy to two categories of authoritative U.S. GAAP, and addresses the use of authoritative and non-authoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative U.S. GAAP. Statement No. 76 is effective for fiscal years beginning after June 15, 2015.

The adoption of these Statements did not have any material impact on the financial statements.

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 year ended December 31, 2016 and 2015, approximately 63% 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, 2016 AND 2015

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, 2016 and 2015 were as follows:

	<u>2016</u>	<u>2015</u>
Gross patient service revenue	\$ 2,845,563	\$ 2,723,887
Coushatta tribe contract revenue	<u>168,000</u>	<u>168,000</u>
 Total gross patient service revenues	 3,013,563	 2,891,887
 Less:		
Medicare and Medicaid contractual adjustments	(1,326,245)	(1,221,677)
Provision for bad debts	(168,212)	(234,309)
Coushatta tribe contract discounts	(65,208)	(85,760)
Insurance and other discounts	<u>(295,955)</u>	<u>(258,049)</u>
 Net patient service revenues	 \$ <u>1,157,943</u>	 \$ <u>1,092,092</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, 2016, 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, 2016 AND 2015

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, 2016, \$500,000 of the Ambulance District's deposits were secured from risk by FDIC coverage and \$1,304,878 were collateralized by securities pledged. As of December 31, 2015, these deposits were secured from risk by \$500,000 of FDIC coverage and \$905,856 by pledged securities. Accordingly, the Ambulance District had no custodial credit risk related to its deposits at December 31, 2016 and 2015.

Note 5. Accounts Receivable

Patient accounts receivable reported as current assets by the Ambulance District at December 31, 2016 and 2015 consisted of the following:

<u>Patient Accounts Receivable</u>	<u>2016</u>	<u>2015</u>
Receivable from patients and their insurance carriers	\$ 363,023	\$ 323,330
Receivable from Medicare	46,541	53,334
Receivable from Medicaid	<u>29,112</u>	<u>3,535</u>
Total patient accounts receivable	438,676	380,199
Less allowance for uncollectible amounts	<u>(147,584)</u>	<u>(202,245)</u>
Patient accounts receivable, net	\$ <u>291,092</u>	\$ <u>177,954</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, 2016 and 2015 was as follows:

	<u>2016</u>	<u>2015</u>
Medicare	10 %	14 %
Medicaid	7 %	1 %
Other third-party payors/patients	<u>83 %</u>	<u>85 %</u>
	<u>100 %</u>	<u>100 %</u>

ALLEN PARISH AMBULANCE SERVICE DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2016 AND 2015

Note 7. Capital Assets

Capital assets additions, retirements, and balances for the years ended December 31, 2016 and 2015 were as follows:

	December 31, <u>2015</u>	<u>Additions</u>	<u>Retirements</u>	December 31, <u>2016</u>
Land	\$ 5,000	\$ -0-	\$ -0-	\$ 5,000
Equipment	463,784	3,769	-0-	467,553
Office equipment	46,686	770	-0-	47,456
Buildings improvements	42,484	713	-0-	43,197
Ambulances	563,222	-0-	-0-	563,222
Vehicles	-0-	25,292	-0-	25,292
Building	149,091	-0-	-0-	149,091
Total historical cost	<u>1,270,267</u>	<u>30,544</u>	<u>-0-</u>	<u>1,300,811</u>
Less accumulated depreciation for:				
Equipment	(284,700)	(54,242)	-0-	(338,942)
Office equipment	(40,514)	(3,082)	-0-	(43,596)
Buildings improvements	(30,003)	(2,475)	-0-	(32,478)
Ambulances	(383,791)	(43,165)	-0-	(426,956)
Vehicles	-0-	(3,162)	-0-	(3,162)
Building	(60,143)	(5,230)	-0-	(65,373)
Total accumulated depreciation	<u>(799,151)</u>	<u>(111,356)</u>	<u>-0-</u>	<u>(910,507)</u>
Capital assets, net	<u>\$ 471,116</u>	<u>\$ (80,812)</u>	<u>\$ -0-</u>	<u>\$ 390,304</u>
	December 31, <u>2014</u>	<u>Additions</u>	<u>Retirements</u>	December 31, <u>2015</u>
Land	\$ 5,000	\$ -0-	\$ -0-	\$ 5,000
Equipment	384,198	79,586	-0-	463,784
Office equipment	45,019	1,667	-0-	46,686
Buildings improvements	37,162	5,322	-0-	42,484
Ambulances	532,601	123,611	(92,990)	563,222
Building	149,091	-0-	-0-	149,091
Total historical cost	<u>1,153,071</u>	<u>210,186</u>	<u>(92,990)</u>	<u>1,270,267</u>
Less accumulated depreciation for:				
Equipment	(238,543)	(46,157)	-0-	(284,700)
Office equipment	(36,885)	(3,629)	-0-	(40,514)
Buildings improvements	(28,495)	(1,508)	-0-	(30,003)
Ambulances	(454,218)	(22,563)	92,990	(383,791)
Building	(54,913)	(5,230)	-0-	(60,143)
Total accumulated depreciation	<u>(813,054)</u>	<u>(79,087)</u>	<u>92,990</u>	<u>(799,151)</u>
Capital assets, net	<u>\$ 340,017</u>	<u>\$ 131,099</u>	<u>\$ -0-</u>	<u>\$ 471,116</u>

ALLEN PARISH AMBULANCE SERVICE DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2016 AND 2015

Note 7. Capital Assets (Continued)

Depreciation expense for the year ended December 31, 2016 and 2015 amounted to \$111,356 and \$79,087, respectively.

Note 8. Ad Valorem Taxes

The Ambulance District levied 9.76 mills on properties with assessed values of \$52,200,597 and \$53,685,255, net of homestead values, for the year ended December 31, 2016 and 2015, respectively.

The Ambulance District received approximately 20% and 25% in 2016 and 2015, respectively, 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 31st, and become a lien in the following March.

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, 2016 and 2015 of \$44,828 and \$35,652, 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. Employees of the Ambulance District are members of Plan A.

ALLEN PARISH AMBULANCE SERVICE DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2016 AND 2015

Note 10. Retirement (Continued)

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.

Survivor benefits

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

Deferred retirement option plan

Act 338 of 1990 established the deferred retirement option plan (DROP). DROP is an option for a member who is eligible for normal retirement.

This option allows a member who is eligible to retire to elect to defer the receipt of benefits for three years. During this time period, employer contributions are payable but employee contributions cease. The monthly retirement benefits that would be payable had the person terminated employment are paid into the DROP fund. Upon termination, a participant may receive, at their option, a lump sum from the account equal to the balance, an annuity based upon the account balance in the fund or rollover the fund to an individual retirement account.

Disability benefits

For Plan A, a member may be eligible to retire and receive a disability benefit if the member was 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 certified as disabled by the State Medical Disability Board. Disability benefits are equal to the lesser of three percent of the final average compensation multiplied by the years of service, not to be less than 15, or (3%) three percent multiplied by years of service assuming continued service to age 60.

ALLEN PARISH AMBULANCE SERVICE DISTRICT NO. 1
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2016 AND 2015

Note 10. Retirement (Continued)

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, 2015 and December 31, 2014, the actuarially determined contribution rate was 10.40% and 13.07%, respectively, of the member's compensation for Plan A. However, the actual rate was 14.50% and 16.00%, 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. 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, 2016 and 2015 were \$122,710 and \$144,134, 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, 2016 and 2015, the Ambulance District reported a liability of \$456,360 and \$45,545, respectively, for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2015 and 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Agency's proportion of the net pension liability 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, 2015 and 2014, the Ambulance District's proportion was .173370% and .165830%, respectively.

For the years ended December 31, 2016 and 2015, the District recognized pension expense of \$180,325 and \$111,033, respectively. At December 31, 2016 and 2015, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

December 31, 2016:

	<u>Outflows</u>	<u>Inflows</u>
Deferred resources		
Differences between expected and actual experience	\$ -0-	\$ 72,528
Changes in assumptions	101,684	-0-
Net difference between projected and actual earnings on pension plan investments	417,582	-0-
Changes in proportion and differences between employer contributions and proportionate share of contributions	203	1,032
Contributions subsequent to measurement date	<u>122,710</u>	<u>-0-</u>
Ending balance	\$ <u>642,179</u>	\$ <u>73,560</u>

ALLEN PARISH AMBULANCE SERVICE DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2016 AND 2015

Note 10. Retirement (Continued)

December 31, 2015:

	<u>Outflows</u>	<u>Inflows</u>
Deferred resources		
Differences between expected and actual experience	\$ -0-	\$ 20,247
Net difference between projected and actual earnings on pension plan investments	94,566	-0-
Changes in proportion and differences between employer contributions and proportionate share of contributions	305	3,339
Contributions subsequent to measurement date	<u>144,134</u>	<u>-0-</u>
Ending balance	\$ <u>239,005</u>	\$ <u>23,586</u>

The Ambulance District reported \$122,710 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 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 Ended
December 31

2017	\$117,475
2018	\$117,475
2019	\$124,397
2020	\$ 85,683
2021	\$ -0-
Thereafter	\$ -0-

ALLEN PARISH AMBULANCE SERVICE DISTRICT NO. 1
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2016 AND 2015

Note 10. Retirement (Continued)

Actuarial assumptions

The total pension liability in the December 31, 2015 and 2014 actuarial valuation was determined using the following actuarial assumptions applied to all periods included in the measurement:

December 31, 2015:

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

December 31, 2014:

Inflation	3.00%
Salary increases	5.75% (including inflation)
Investment rate of return	7.25% (net of investment expense)
Actuarial cost method	Entry Age Normal
Expected remaining service lives	4 years

At December 31, 2015, 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 was 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.

Cost of living adjustments are based on the present value of future retirement 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 Louisiana Legislature.

At December 31, 2015 and 2014, the discount rate used to measure the total pension liability was 7.00% and 7.25%, 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, 2016 AND 2015

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% and 2.30% at December 31, 2015 and 2014 and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return was 7.55% and 8.11% for the year ended December 31, 2015 and 2014.

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 and 2014 are summarized in the following table:

<u>December 31, 2015:</u>	<u>Target Asset Allocation</u>	<u>Long-Term Expected Portfolio Real Rate of Return</u>
Asset class:		
Fixed income	34%	1.06%
Equity	51%	3.56%
Alternatives	12%	0.74%
Real assets	<u>3%</u>	<u>0.19%</u>
	<u>100%</u>	<u>5.55%</u>
Inflation		<u>2.00%</u>
Expected arithmetic nominal return		<u>7.55%</u>
<u>December 31, 2014:</u>	<u>Target Asset Allocation</u>	<u>Long-Term Expected Portfolio Real Rate of Return</u>
Asset class:		
Fixed income	34%	1.30%
Equity	51%	3.55%
Alternatives	12%	0.77%
Real assets	<u>3%</u>	<u>0.19%</u>
	<u>100%</u>	<u>5.81%</u>
Inflation		<u>2.30%</u>
Expected arithmetic nominal return		<u>8.11%</u>

ALLEN PARISH AMBULANCE SERVICE DISTRICT NO. 1
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2016 AND 2015

Note 10. Retirement (Continued)

The following presents the net pension liability 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, 2015:</u>	1% Decrease <u>6.00%</u>	Current Discount Rate <u>7.00%</u>	1% Increase <u>8.00%</u>
Employers proportionate share of the net pension liability (asset)	<u>\$1,143,347</u>	<u>\$456,360</u>	<u>\$(124,227)</u>
<u>December 31, 2014:</u>	1% Decrease <u>6.25%</u>	Current Discount Rate <u>7.25%</u>	1% Increase <u>8.25%</u>
Employers proportionate share of the net pension liability (asset)	<u>\$ 655,446</u>	<u>\$ 45,339</u>	<u>\$(471,598)</u>

As of December 31, 2016 and 2015, the Ambulance District had amounts payable to the plan of \$-0- and \$9,631, respectively, for employer and employee shares of required contributions to the plan for the last quarter of 2016 and 2015, 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, 2015 and 2014. Access to the audit report and financials can be found on the System's website: www.persla.org or on the Office of Louisiana Legislative Auditor's official website: www.la.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, 2016 AND 2015

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 \$349,300 in 2016 and \$161,666 in 2015. 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 \$738,912 in 2016 and \$367,415 in 2015. 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 28, 2017, 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
FOR THE YEARS ENDED DECEMBER 31,

	<u>2016</u>	<u>2015</u>
Ambulance District's proportion of the net pension liability	0.1733700%	0.165830%
Ambulance District's proportionate share of the net pension liability	<u>\$ 456,360</u>	<u>\$ 45,545</u>
Ambulance District's covered employee payroll	<u>\$ 926,268</u>	<u>\$ 860,621</u>
Ambulance District's proportionate share of the net pension liability as a percentage of its covered employee payroll	49.27%	5.29%
Plan fiduciary net position as a percentage of the total pension liability	92.23%	99.15%

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

	<u>2016</u>	<u>2015</u>
Contractually required contributions	\$ 210,198	\$ 238,568
Contributions in relation to the contractually required contribution	<u>210,198</u>	<u>238,568</u>
Contribution deficiency (excess)	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>
Ambulance District's covered employee payroll	<u>\$ 926,268</u>	<u>\$ 860,621</u>
Contributions as a percentage of covered employee payroll	<u>22.69%</u>	<u>27.72%</u>

OTHER SUPPLEMENTARY INFORMATION

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

Board Members:

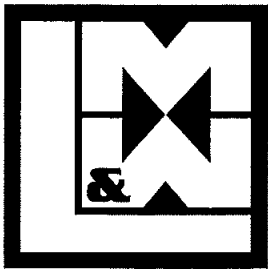
	<u>2016</u>	<u>2015</u>
Elsie Frank	\$ 450	\$ 350
Lowell Keys	650	500
Jackie Holland	600	500
Susan Doumite	400	200
Yvonne Hyatt	500	450
	\$ 2,600	\$ 2,000

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
 FOR THE YEAR ENDED DECEMBER 31, 2016

Agency Head Name: Lennie Boulet
 Position: Executive Director
 Time Period: January 1, 2016 to December 31, 2016

Purpose	Amount
Salary	\$ 97,298
Benefits - insurance	6,017
Benefits - retirement	12,649
Benefits - other	650
Car allowance	-0-
Vehicle provided by government	-0-
Per diem	-0-
Reimbursements	1,318
Travel	-0-
Registration fees	-0-
Conference travel	-0-
Continuing professional education fees	-0-
Housing	-0-
Unvouchered expenses	-0-
Special meals	-0-
	<u>\$ 117,932</u>



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Paul A. Delaney, CPA
Mary L. Carroll, CPA
Joey L. Breaux, CPA
Jason P. LeBlanc, CPA
Brenda J. Lloyd, CPA
Emily C. Lohman, CPA
Retired 2015
Bobby G. Lester, CPA

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 basic financial statements of the Allen Parish Ambulance Service District No. 1 as of and for the year ended December 31, 2016, 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 28, 2017.

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 2016-1 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 Governmental 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 28, 2017



ALLEN PARISH AMBULANCE SERVICE DISTRICT NO. 1
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED DECEMBER 31, 2016

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

2016-1 - 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 2015 audit as item 2015-1.

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, 2016

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

2015-1 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 2016-1.

2015-2 Louisiana Open Meeting Law

Recommendation: The District Board should act in accordance with Louisiana Law regarding open meetings, which should include written public notice of all board meetings.

Current status: RESOLVED – The District Board has since met with the District Attorney and the District Attorney explained the Louisiana Open Meeting Law in detail, in order for the board members to understand. The District Board will comply with the Louisiana Open Meetings Law in the future.

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

Not applicable.

Section III. Management Letter

Not applicable.